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# 1972-1973 GOVERNOR'S BUDGET SUMMARY

Ronald Reagan, Governor, State of California



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# STATE OF CALIFORNIA GOVERNOR'S BUDGET SUMMARY 1972-73

Submitted by RONALD REAGAN Governor

to the CALIFORNIA LEGISLATURE 1972 Regular Session





#### State of California

GOVERNOR'S OFFICE SACRAMENTO 95814

January 12, 1972

#### Budget Message

To the Members of the Legislature of California:

The fiscal plan of California is really two separate and quite distinct budgets. The first, and by far the largest, is made up of monies which the State collects from its citizens and then sends back to cities, counties, other governmental jurisdictions, and most significantly, school districts. State assistance to local agencies represents about two-thirds of all our expenditures.

The second budget comprises the remaining one-third of the money collected to run the traditional functions of state government, such as the University and college systems, beach and park development and operations, mental hospitals, and highway construction.

As I mentioned in my budget message in 1970, I have long felt that the fiscal plan for the State of California should be prepared as two separate budgets to more dramatically emphasize the State's two distinct funding roles.

Therefore, this year I have asked the Director of Finance to submit (1) a local assistance budget, and (2) a state operations budget. While they will be bound together in a single volume for convenience, I am hopeful that the executive and legislative branches will consider each one separately in order that Californians may better understand the extent to which state government merely acts as an efficient tax collector for the benefit of local government.

#### LOCAL ASSISTANCE

State contributions for local assistance in 1971–72 were \$4,329,191,284. For the budget year of 1972–73, the State will assist local government \$4,899,670,225, an increase of 13.2 percent. This increasing state support for local governmental agencies is in recognition of the vital role they play as the very backbone of our governmental system.

#### Education

The local assistance budget I am submitting reflects the high priority I believe education must continue to receive in the allocation of our scarce tax resources. In both local assistance and state operations, we again have endeavored to give first consideration to the needs of educating our young people.

We are suggesting one of the largest budgeted year-to-year increases for the support of local schools in California's history. Particularly pleasing to me is the reform of the Teachers' Retirement System. Legislation passed and signed during the 1971 session after three years of extensive Administration-Legislative effort, marks a giant step forward in assuring the kind of long-term financial security our local school teachers and their families deserve. The landmark legislation provides for an actuarially sound funding basis for the first time in the history of the Teachers' Retirement System. This Budget reflects the first of thirty annual payments of \$135 million as set forth in this reform bill and \$42 million in increased local school apportionments.

In addition, I am pleased to be able to recommend \$65 million in new money for California's local schools. This is the fourth time under this Administration that state support for local schools has been increased, representing a net increase of approximately \$560 million in new money for local schools.

While recommending the \$65 million in new school funds, it is important to recognize that a recent California State Supreme Court opinion has indicated the necessity for rethinking the financing of our public systems of elementary and secondary education. In my tax reform proposals during the past few years, I have advocated a move toward more equitable school financing. These proposals have not yet been enacted into law. In the coming year, we expect to work closely with the Legislature, the Superintendent of Public Instruction, and interested local groups to revise the funding for local schools in order to achieve a more equitable educational financing system.

#### Medi-Cal

Based on preliminary welfare caseload projections compiled earlier this year, the proposed Medi-Cal budget for 1972–73, as printed, is \$655 million (General Fund). This represents an increase of only nine percent over the \$597 million Medi-Cal budget I signed for the current fiscal year. In contrast, during the previous four years, approved Medi-Cal budgets rose three times as fast—by an average of 31 percent per year.

However, due to a steadily declining welfare caseload during the past eight months, it now appears that there will be an \$80 million General Fund savings in the Medi-Cal budget for the current fiscal year. This would reduce Medi-Cal expenditures this year to \$517 million—only six percent above the previous year's spending level (\$484 million).

And, if California's welfare caseload—to which Medi-Cal is tied directly—should continue to decline or generally level out in the year to come, it is entirely possible that a similar savings in Medi-Cal expenditures could be made in 1972–73. If this were to occur, it would reduce the budgeted \$655 million for Medi-Cal.

Caseload projections which, for the first time, will take into account the continuing effects of our administrative reforms and those resulting from the new welfare reform law, will provide the basis in June for whatever readjustment may be necessary in next year's budget.

#### Welfare

As a result of the enactment of the new welfare reform law and the far-reaching administrative reforms implemented by this administration, the rate of increase in General Fund expenditures for Social Welfare in 1972–73 will amount to only a third of what it was each year during the past three years.

While the average increase in the General Fund budget for welfare has been 20 percent a year over the past three years, the expenditure program I am proposing for 1972–73 in Social Welfare will go up to only 7.3 percent, or \$54 million above the current Welfare budget.

Because the Welfare Reform Act of 1971 requires the State to pick up a percentage of the local cost of administering welfare—a burden previously borne by county property taxpayers—the great bulk, or \$49 million of the \$54 million increase, will be returned to the counties to cover their administrative functions.

Had this Administration not moved energetically to reform California's welfare system, the additional state, local and Federal costs to the taxpayers this fiscal year (1971–72) would have been \$338 million greater (\$147 million more in General Fund monies) than they actually will be.

And, without these same reforms, we estimate that the increased welfare burden on the people in 1972–73 (Federal, state and local costs) would amount to nearly three quarters of a billion dollars more than we believe it will be under the budget I am proposing. Without reform, General Fund costs for welfare in the coming fiscal year would be \$262 million higher than the budget I am submitting to you.

Translated into caseload, this means that had we not reformed welfare, there would be 3.1 million persons on the rolls in June of 1973, at least 700,000 more than the number we can now look forward to in that same month.

#### **Property Tax Relief**

During the 1971 session we were successful in achieving \$46 million in senior citizens' property tax relief, a continuation of the 30 percent reduction in business inventory relief and, for the first time, meaningful state support for preserving California's open space. For these programs, our budget reflects increased property tax relief amounting to \$170 million. Total tax relief for 1972–73 when combined with the state relief given to California's homeowners will total \$464.0 million. While much more must be done to provide the kind of substantial and lasting property tax relief which our beleaguered California homeowners urgently need and deserve, the shifts from the property tax provided last year are a step in the right direction.

#### STATE OPERATIONS

This budget does not reflect the degree of austerity which was necessary during the current year. However, let me assure you that I will demand that state managers continue to use their skill, ingenuity, and diligence in seeking the same kind of economies which we have achieved in the past. Scarce taxpayers' dollars must be conserved and utilized in the most efficient manner possible.

#### Higher Education

This budget provides our State University and Colleges System a general fund increase of \$31.5 million in support of a projected growth in enrollment of 11,680 students and 637 new

faculty. I am particularly impressed with the manner in which our newly named California State University and Colleges are approaching the need for ingenuity and imagination in education. I have therefore proposed that the system receive a \$4.5 million Innovation Fund. Some of the innovations this will cover are new technological approaches in the operation of libraries, strengthening of the role of department heads to manage more effectively, and the implementation of the "weekend" college concept which will enable more of our working men and women to enjoy the benefits of higher education.

I also am proposing a General Fund increase of \$18.7 million for the University of California to support 1,287 additional students and 159 more faculty. Of great importance is the fact that this budget provides \$42.6 million for salary increases in both our systems of higher education. I am confident that this will help both the University and the Colleges to continue to provide the quality of educational experience which has made these systems leading institutions of higher education in the country.

#### Student Financial Aid

I am proposing a 41 percent increase in general fund support for the Scholarship and Loan Commission amounting to \$8.2 million. This will include a new program of contracting with California independent medical schools for additional medical students, a new graduate fellowship program, and expansion of the very successful college opportunity grant program. For the first time ever, we have summarized in the Governor's Budget all identifiable financial aids available to students who need this kind of help to complete their college work. This summary indicates that \$288.7 million of Federal and State funds will be available in 1972–73 for students enrolled in all universities and colleges in California, compared to \$270.4 million in the current year. These aids should assist many more students to benefit from the kinds of educational opportunities which may otherwise not be available.

#### **Human Relations**

The budget I am proposing for Human Relations reflects, on a program basis, the needs of several significant areas: Alcoholism, Mental Retardation, and Narcotics and Dangerous Drugs. Under this approach, programs are presented for legislative and executive review without the fragmentation implicit in multiple organizational responsibility.

Our correctional programs are continuing to experience re-

duced populations reflecting the favorable recidivism which results from innovative correctional practices. There have been instances of tragic violence in our correctional institutions, and in order to protect the lives of correctional officers and other inmates we have instituted additional security procedures together with improved psychiatric care.

The progress we are making in treating the mentally ill and retarded is a particular source of satisfaction. This budget will enable us to maintain our high staffing standards for the mentally ill and to continue to improve staffing for the mentally retarded.

The number of patients in our mental hospitals is continuing to decline, a fact which proves the effectiveness of local treatment programs under the Lanterman-Petris-Short Act.

In order to combat the epidemic problem of venereal disease, I am proposing a funding level which will enable us to continue the educational program we established this year.

In furthering the objectives of self-fulfillment and self-sufficiency embodied in the new welfare reform law, we plan to continue, in this budget, programs of rehabilitation training services to enable welfare recipients to enter the world of work through both public service jobs and private employment.

#### Resources

This budget provides a substantial increase in funds to further protect and preserve the quality of California's environment, including the maintenance of air and water quality standards, and expanded hunting and fishing opportunities.

We are continuing to expand recreational opportunities by opening new beach and park facilities and by providing accommo-

dations for additional use at many existing locations.

#### Law Enforcement

I am proposing a significant increase in funding for the law enforcement functions of the Department of Justice and new matching monies to enable the California Council on Criminal Justice to receive Federal assistance under the Omnibus Crime Control and Safe Streets Act.

#### Salary Increase Funds

Economic necessity required us to forego general salary increases for state employees in 1971–72. There never was any question in our minds that our employees deserved an increase. Under this administration, the number of state employees has

actually decreased despite California's continued growth during these five years. This means in many departments, the workload increase has been absorbed with no increase in staff. We are happy this year that we can recognize their dedication by including in the budget \$95.8 million for salary increases and for correcting salary inequities. This is equivalent to a 5 percent salary increase for state employees and  $7\frac{1}{2}$  percent for academic employees of the University of California and the State Colleges.

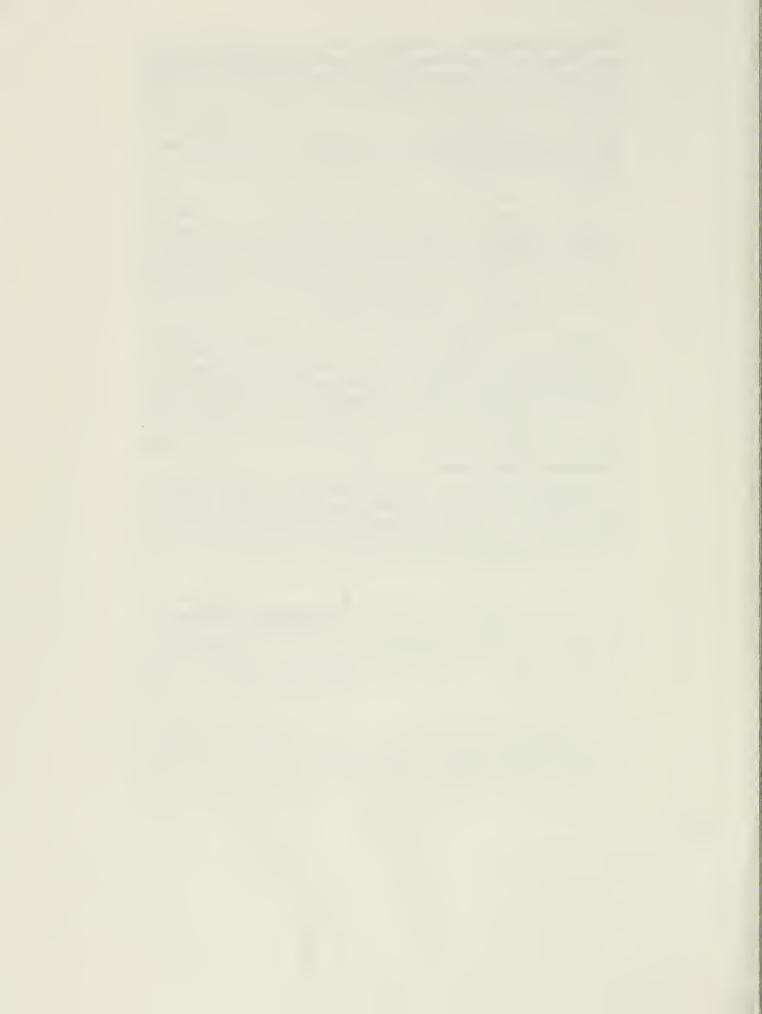
#### Conclusion

During the past two years we have found it necessary to advise the Legislature at periodic intervals that revenues were not meeting expectations. The State and Nation have felt the effects of inflation and unemployment as we have made the painful transition from a war-time to a peace-time economy. A rapid shift in national priorities away from defense and space has affected many states adversely, including California.

This year I am happy to report that we can expect a vigorous economic recovery across the State. An additional 175,000 jobs will be created in California in 1972. The personal income our citizens receive will reach almost \$101 billion, a gain of eight percent. The increases will be sustained, and in virtually all economic sectors. We expect the President's New Economic Policy to aid the expansion and also hold down inflation. This will enable state revenues to resume a normal growth pattern and insure against a tax increase.

I ask your cooperation in the months ahead as you consider the fiscal plan which we are submitting this tenth day of the 1972 Legislative Session in accordance with Article IV, Section 12 of the State Constitution, amended November 3, 1970.

Rarald Ragan



#### EPARTMENT OF FINANCE

CRAMENTO

FICE OF THE DIRECTOR

#### Letter of Transmittal



Governor Reagan:

The budget which any Director of Finance submits to his Governor is heavily influenced by the projected economic climate of California for the budget year. It is a pleasure to transmit the 1972–73 budget with the firm belief that California's health is on the upturn, economically.

One year ago we faced the bleak prospect of rising unemployment and revenues which would rise far less than normal. Today, economists are nearly unanimous in feeling that the recession has bottomed out and that the year ahead will see unemployment dropping. As the labor force grows, our personal income tax receipts grow, more goods are purchased and our sales tax revenues rise, and banks and corporations also face a brightened future.

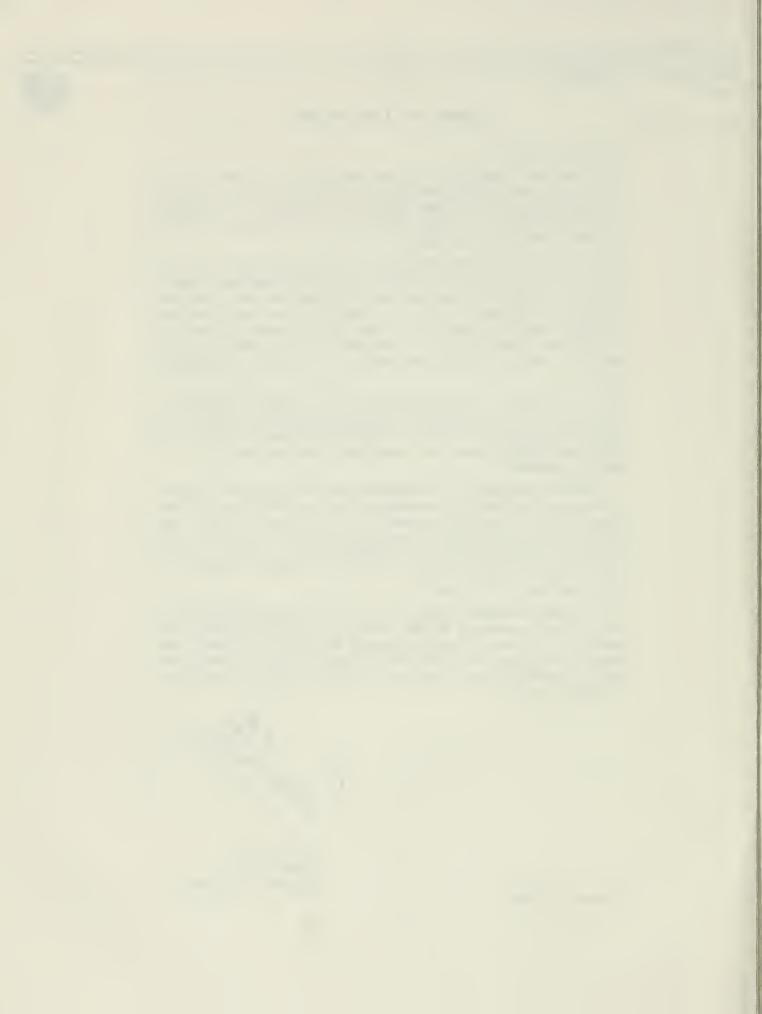
One year ago it was necessary to ask California's state employees to forego a pay raise, it was necessary to use funds from the contingency reserve of the teachers retirement to meet the obligations in that area, and numerous other one-time measures had to be adopted.

With the adoption of withholding and the projected increase in revenues, the situation is reversed in the budget which I am transmitting. Money is proposed for an increase for state employees, with a substantial additional sum for faculty in the University and State Colleges, and the teachers' retirement system has been placed on a sound footing by legislation passed and signed during the 1971 session.

It is highly doubtful if there could ever be enough revenue to meet all the demands of all the interest groups in the State who would like to see enhanced spending for their particular programs. The budget for 1972–73 is a good budget; it meets the needs of the State and provides a modest reserve for contingencies that might arise.

VERNE ORR
Director of Finance

January 12, 1972



#### Schedule 1

#### **GENERAL BUDGET SUMMARY 1**

#### **General Fund**

	Reference to Schedule	Actual 1970–71	Estimated 1971–72	Estimated 1972-73
PRIOR YEAR BALANCES AVAILABLE 2	Schedule	1010 11	10.11 12	1012 10
Reserve for Unencumbered Balances of Continuing Appropriations  Ending Resources	4 4	\$130,023,090 386,178,071	\$22,3 <b>7</b> 9,4 <b>6</b> 0 173,487,205	\$6,609,549 527,941,428
Total Prior Year Balances Available	4	\$516,201,161	\$195,866,665	\$534,550,977
CURRENT INCOME (Revenue and Transfers) 3	2	4,533,525,657	5,314,645,913	5,779,856,036
Total Available		\$5,049,726,818	\$5,510,512,578	\$6,314,407,013
EXPENDITURES AND CONTINUING APPROPRIATIONS State Operations Capital Outlay Local Assistance	3 3 3	\$1,385,074,315 72,546,037 3,396,239,801	\$1,441,931,004 17,340,954 3,516,689,643	\$1,594,435,658 3,032,000 4,059,647,748
Total Expenditures 4Reserve for Unencumbered Balances of Continuing Appropria-	3	\$4,853,860,153	\$4,975,961,601	\$5,657,115,406
tions	4	22,379,460	6,609,549	1,322,461
Total Expenditures and Continuing Appropriations		\$4,876,239,613	\$4,982,571,150	\$5,658,437,867
ENDING RESOURCES  Reserve for Working Capital 5  Reserve in Accordance with Chapter 1, Statutes of 1971, First	4	\$173,487,205 343,894,770	\$527,941,428 331,555,000	\$655,969,146 348,081,000
Extraordinary Session 6	4	-170,407,565	150,000,000 46,386,428	150,000,000 157,888,146
Special I	Funds			
PRIOR YEAR BALANCES AVAILABLE				
Reserve for Unencumbered Balances of Continuing Appropriations  Ending Resources	4 4	\$196,845,931 55,070,667	\$183,785,957 94,547,085	\$183,838,335 79,030,593
Total Prior Year Balances Available	4	\$251,916,598	\$278,333,042	\$262,868,928
CURRENT INCOME (Revenue and Transfers)	2	1,385,764,436	1,479,817,768	1,586,336,627
Total AvailableEXPENDITURES AND CONTINUING APPROPRIATIONS		\$1,637,681,034	\$1,758,150,810	\$1,849,205,555
State Operations Capital Outlay Local Assistance	3 3 3	\$379,539,590 299,494,038 680,314,364	\$403,260,113 342,033,965 749,987,804	\$444,929,597 393,150,574 744,438,429
Total Expenditures	3	\$1,359,347,992	\$1,495,281,882	\$1,582,518,600
Reserve for Unencumbered Balances of Continuing Appropriations	4	183,785,957	183,838,335	212,367,349
Total Expenditures and Continuing Appropriations		\$1,543,133,949	\$1,679,120,217	\$1,794,885,949
ENDING RESOURCES	4	\$94,547,085	\$79,030,593	\$54,319,606

1 The General Budget Summary includes the revenues and expenditures of all state funds and activities that reflect the cost of state government. The transactions involving bond funds, federal funds, and other nongovernmental cost funds are excluded.

2 Yearend surplus and reserves reported by the State Controller for the 1969-70 fiscal year were \$513,045,139. Additional prior year adjustments of \$3,156,022 have increased that total to \$516,201,161.

3 Income for the General Fund includes revenues which were originally deposited in a special fund and subsequently transferred to the General Fund, and transfers of surplus from special funds. Such amounts are reduced from special fund revenues.

4 Expenditures from the General Fund include amounts transferred to special funds and expenditures from special funds are reduced by a like amount.

5 Chapter 571, Statutes of 1970, requires the State Controller to reduce the Ending Resources by a Reserve for Working Capital beginning with the 1969-70 fiscal year. This reserve, in effect, limits the unrestricted surplus to the actual cash balance at the end of the fiscal year.

6 Chapter 1, Statutes of 1971, First Extraordinary Session, requires that \$150,000,000 of the one-time nonrecurring revenue provided for by that act shall be used for capital outlay purposes. This reserve, in effect, limits the unrestricted surplus by this amount appropriated only for capital outlay purposes.

#### Schedule 1-A

#### GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION JUNE 30, 1972

#### Reconciliation of the Changes from the Previous Budget Estimates

1970–71 fiscal year	1971–72 Governor's Budget previous estimate	1972–73 Governor's Budget revised estimate	Adjustment of surplus
Income (revenues and transfers)	\$4,613,091,617	\$4,533,525,657	-\$79,565,960
Outgo: State operations Capital outlay Local assistance	\$1,390,426,208 77,542,921 3,422,526,619	\$1,385,074,315 $72,546,037$ $3,396,239,801$	\$5,351,893 4,996,884 26,286,818
Expenditures	\$4,890,495,748	\$4,853,860,153	\$36,635,595
Prior Year Surplus Adjustments	-	\$3,156,022	\$3,156,022
1971-72 fiscal year			
Income (revenues and transfers)Outgo:	\$5,039,129,972	\$5,314,645,913	\$275,515,941
State operationsCapital outlayLocal assistance	$$1,410,731,769 \\ 9,987,000 \\ 3,454,717,515$	$$1,441,931,004 \\ 17,340,954 \\ 3,516,689,643$	-\$31,199,235 -7,353,954 -61,972,128
Expenditures	\$4,875,436,284	\$4,975,961,601	-\$100,525,317
Reserve in accordance with Chapter 1, Statutes of 1971, 1st E.S Reserve for unencumbered balances of continuing appropriations Reserve for working capital	\$59,900 \$397,318,000	\$150,000,000 \$6,609,549 \$331,555,000	-\$150,000,000 -\$6,549,649 \$65,763,000
EFFECT OF REVISED ESTIMATES AS REPORTED IN TH	E 1972-73 GOVERNO	OR'S BUDGET	\$44,429,632
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION the 1971-72 budget			\$1,956,796
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION the 1972-73 budget			\$46,386,428

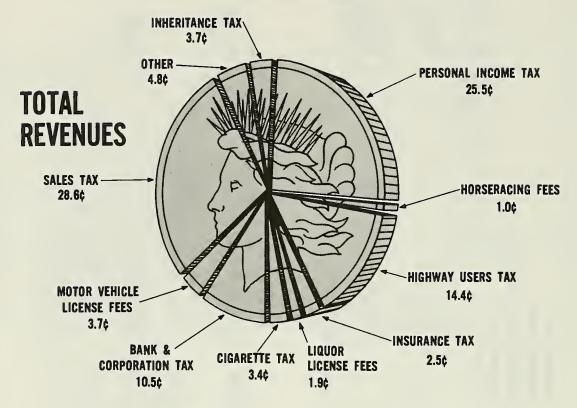
# STATEMENT OF FINANCIAL CONDITION® Schedule 1-B GENERAL FUND June 30, 1971

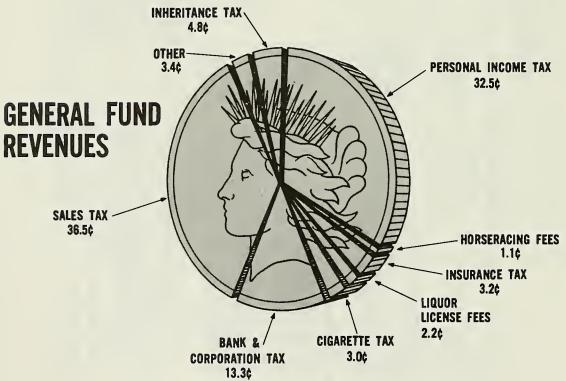
	\$194,573,958	254,491,891	\$449,065,849 \$3,669,835				\$195,866,665	\$648,602,349	\$1,590,000,000	\$2,444,950,000 896,456,058	\$3,341,406,058
\$87,520,727 104,455,937 2,597,294	0.00	\$12,469,551 236,700,000 3,067,827 2,254,713			URPLUS	\$343,894,770 22,379,460 -170,407,565			\$5,099,202,000 2,654,252,000		
Accounts Payable State Operations Local Assistance Capital Outlay	Total	Temporary Loans from Other Funds Prepayments from Other Funds Other Liabilities	Total Liabilities		SURPLUS RESERVES AND SURPLUS	Reserve for Working Capital	Total Surplus Reserves and Surplus	TOTAL LIABILITIES, RESERVES, AND SURPLUS	States Investments in Capital AssetsGeneral Obligation Bonds	Net General Fund Bonded DehtInterest Payable in Future Years	Net Total Long-Term Obligations
\$42.788.465			\$547,674,955		¢159 969 440	-152,262,449		\$58,138,929	\$648,602,349 \$1,590,000,000	3,341,406,058	\$3,341,406,058
\$5,792,435 36,996,030	\$44,113,108	407,378,148 60,500,000 34,052,078 341,280 1 990,341		\$120,534,690 6,890,254 8,177,903 1,612,506	19,047,030	\$49,172,571	7,831,556		l		ı
Cash In State TreasuryIn Agency Accounts	Accounts Receivable—Current Abatements and Reimbursements	Revenues Temporary Loans to Other Funds Due from Other Funds Due from Local Governments Other Grand American	Total	Revenue Due from Other Funds Interfund Building Loans Due from Local Governments	Other Deferred Accounts Receivable	Less: Reserve for Deferred Accounts Receivable Deferred Charges Advances to Counties for Social Welfare	Prepayment to Other FundsOther Deferred Charges	Total	TOTAL OPERATING ASSETSGeneral Fund Assets Land, Improvements, and Equipment	Amount to he Provided from Future Revenue and School Districts for Retirement of Long-Term Obligations	Total Amount to he Provided

a The data that appears in this statement appears in the report of the State Controller for the year ended on June 30, 1971.

## REVENUE DOLLARS

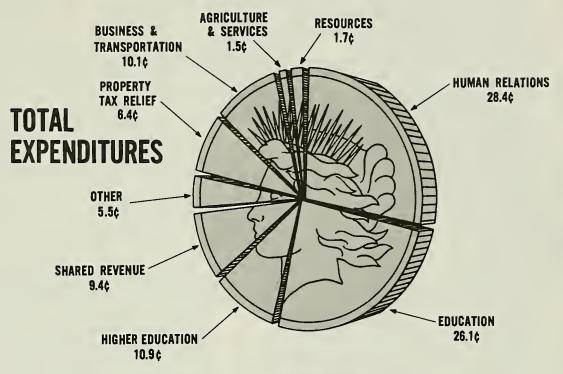
1972-73 FISCAL YEAR

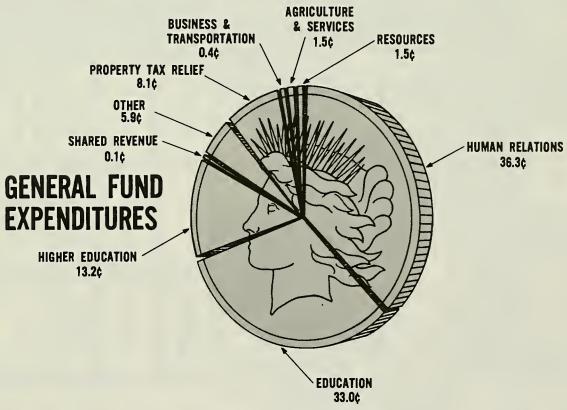




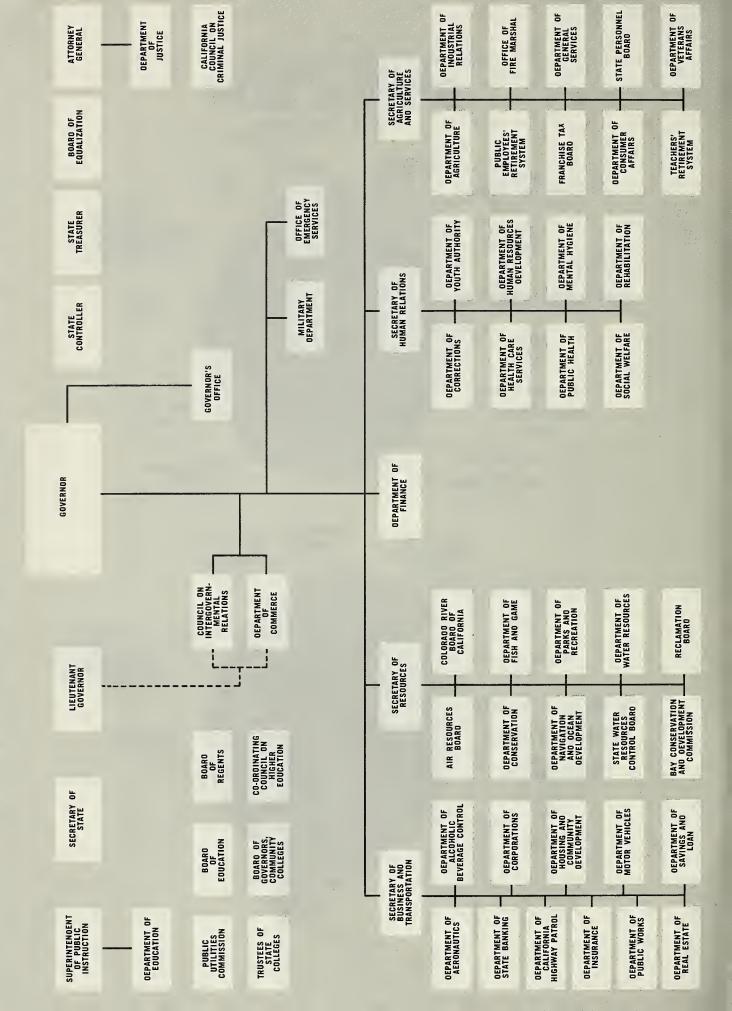
## **EXPENDITURE DOLLARS**

1972-73 FISCAL YEAR





# CALIFORNIA STATE GOVERNMENT THE EXECUTIVE BRANCH



# 1972-73 Program Expenditures

#### Format Changes

The total budget consists of a Governor's Budget, the Governor's Budget Supplement, and the Supplement for Salaries and Wages. The Governor's Budget presents proposed departmental expenditures including capital outlay in a summary format and presents appropriation items by Budget Bill item number and amount. The local assistance programs have been consolidated into a separate section which is presented at the end of the volume. The entire budget and the Budget Bill are organized by agency and share the same sequence with the exception of capital outlay which by law must be appropriated by a separate section of the Budget Bill. Each departmental budget contains a summary of program requirements and a synopsis of workload and administrative changes, as well as a summary by object for the state operations and local assistance portions. Proposed capital outlay expenditures are summarized at the end of each department's state operations budget.

The Governor's Budget Supplement is organized by agency and presents the complete program budget, changes in authorized positions, and capital outlay. The Supplement for Salaries and Wages presents the currently authorized level of staffing.

#### Allocation Technique Used in Budget Decisions

In this budget, as in the previous budget, the expenditure program was subjected to a stringent review covering the programs themselves and the level of expenditures within programs. The decision process for the development of the 1972–73 budget was altered to provide for more concentration of time and effort on the policy issues, on programs and on changes.

The process started with the preparation of a baseline budget planning estimate for each department which included the currently authorized expenditure level plus specifically approved price increases. Adjustments to the base-line estimate were prepared in the form of program change proposals and program maintenance proposals.

Each agency secretary and the Director of Finance, for those departments which do not come under an agency, then reviewed in formal agency hearings the "change proposals" in their areas and confirmed the priority items and their designations. The composite evaluation and decisions were then made by the Cabinet.

This process served to enforce the reevaluation by each department of all programs under its direction, and to consider each part in comparison to the whole, and propose an allocation of scarce resources in such a manner as to gain the greatest progress toward their overall goal.

TABLE I
PERSONNEL MAN-YEARS AND SALARY COST ESTIMATES

	1970-71 Fiscal Year		1971-72 1	Fiscal Year	1972-73 Fiscal Year		
FUNCTION General Government:	Personnel man-years	Cost	Personnel man-years	Cost	Personnel man-years	Cost	
Legislative Judicial	242.6 $767.1$	\$3,864,073 16,363,136	258 792.7	\$4,137,514 17,569,115	256 820.8	\$4,173,799 17,979,800	
Executive	401.6	4.591,057	412	4,659,704	412.8	4,741,124	
General administration Miscellaneous	6,136.9 38.4	66,349,575 356,116	6,692.4 38.7	71,780,025 $367,373$	6,813.9 38.7	74,545,482 373,106	
Unallocated salary increase				1,583,072		107,002,000	
Subtotals, General Government	7,586.6	\$91,523.957	8,193.8	\$100,096,803	8,342.2	\$208,815,311	
Agriculture and Services	11,606.1	\$113,805,381	11,600.9	\$114,330,800	11,593.7	\$115,943,259	
Business and Transportation	33,899.6 10.647.5	350,565,616 $111,323,121$	34,535.S 10,598	358,627,344 109,843,928	34,764.6 $10.376$	364,911,585 108,756,883	
Human RelationsEducation:	46,049.8	454,464,665	48,888.4	468,352,330	44,858	451,483,813	
Education	2,197.4	22,904,394	2,363.7	24,973,257	2,392.3	26,077,037	
Higher education	69,593.7	710,493,523	70,065.9	755,405,133	73,113.9	792,009,157	
Totals	181,580.7	\$1,855,080,657	186,246.5	\$1,931,629,595	185,440.7	\$2,067,997,045	
CLASSIFICATION	000	#0 ppp p#0	000	80 004 800	000	#0 00 4 <b>#</b> 00	
Statutory Exempt *	$\frac{322}{1,262}$	\$8,393,278 19,006,811	3 <b>33</b> 1,298	\$8,881,339 22,048,449	$333 \\ 1.326.1$	\$8,834,528 24,166,638	
Civil service		1,116,897,567	114,830.2	1,146,828,318	111,928.7	1,150,032,917	
University of California	40,426.8	403,142,927	39,657.8	415,516,964	39,913.3	426,429.076	
Auxiliary facilities, University of California	1,757.2 $97.3$	11,070,360	1,915.6 $123$	12,642,960	2,082.6	13,745,160	
Hastings College of LawState colleges and trustees	26,155.6	1,483,648 $288,965,301$	26.148.4	1,689,585 $306,649,353$	$\frac{141}{27,831.2}$	1.881,058 $320,720,506$	
Other state college facilities	917.6	6,120,765	1,940.5	15,789,555	1,884.8	15,185,162	
Unallocated salary increase	_	_	_	1,583,072		107,002,000	
Totals	181,580.7	\$1,855,080,657	186,246.5	\$1,931,629,595	185,440.7	\$2,067,997,045	

<sup>\*</sup> Includes superior court judges' salary and man-year data.



# General Government

Under this heading are programs not related to an agency. These include the constitutional officers and boards, and various other boards, commissions and departments. Also included under this heading are the judicial and legislative branches of government.

#### Tax Relief

The establishment of a program to provide property tax relief has been and continues to be a major concern of this administration. The first steps in establishing a program began in 1967 with the senior citizens' property tax relief program. Homeowners' property tax relief and personal property tax relief were added in 1968. The personal property tax relief program was increased in 1969.

These programs represent a broad-based effort with the object of providing meaningful property tax relief. Expenditures, in terms of both direct payments to individuals and payments to local jurisdictions to replace tax loss, will increase significantly as a result of Chapter 1, Statutes of 1971, First Extraordinary Session. A brief description of these changes is included in the discussion of the revenue estimates.

The following is a short discussion of each of the property tax relief programs:

#### Senior Citizens' Property Tax Relief

Chapter 930, Statutes of 1967, established the first step in providing property tax relief. This program provides direct payment of property tax refunds to senior citizens with limited incomes. Expenditures for this program will increase significantly for the 1972–73 fiscal year as a result of Chapter 1, Statutes of 1971, First Extraordinary Session.

#### Homeowners' Property Tax Relief

Chapter 1, Statutes of 1968, First Extraordinary Session broadened the property tax relief program to include general individual homeowners. The first year of the program provided a direct payment of \$70 for each qualified homeowner. The program now provides a \$750 property tax exemption of the total assessed valuation which is administered by the local

county assessors. Expenditures for this program are estimated to be \$252.3 million for the 1972–73 fiscal year.

#### Personal Property Tax Relief

Chapter 1, Statutes of 1968, First Extraordinary Session also provided the first step in providing an exemption for business inventories. This bill provided an exemption of 15 percent of the assessed value of business inventories. This local tax loss was to be directly reimbursed from state funds.

Chapter 1526, Statutes of 1969, increased this exemption, beginning in the 1970–71 fiscal year, to 30 percent of the assessed value of business inventories. Chapter 1, Statutes of 1971, First Extraordinary Session, will continue the exemption at 30 percent and reimburse local jurisdictions to cover the actual tax loss.

#### Office of Emergency Services

The Office of Emergency Services is responsible for coordination of emergency activities to mitigate the effects of natural, manmade, or war-caused emergencies which imperil life, property, and resources within the state.

As the conduit for federal assistance through natural disaster grants and federal agency support, this office has enabled California to lead the nation in the amount of federal money expended for declared major disasters. Nearly every county has been a beneficiary of such programs in past years. Recent federal legislation has broadened the base for such support and grant programs to include assistance to individuals and private enterprises, in addition to the previously available funding for repair, restoration, reconstruction, or replacement of damaged public facilities.

Increased federal funding for 1971-72 and 1972-73 has provided for an expansion of the fallout shelter planning, evaluation and assistance program and updating the radiological instrument program to include dealing with accidents related to peacetime uses of radioactive materials.

#### Board of Equalization

A significant workload adjustment for the Board of Equalization results from the enactment of Chapter 1400, Statutes of 1971, effective July 1, 1972. This bill removes the sales and use taxes exemption on gasoline, lowers the state sales tax rates from 4 percent to  $3\frac{3}{4}$  percent and increases the local sales tax from 1 percent to  $1\frac{1}{4}$  percent.

It is estimated that during the 1972–73 fiscal year the additional local tax revenues will provide about \$140,000,000 for local transportation funds.

#### Department of Justice

The department's General Fund budget is proposed at \$25,602,657, an increase of \$1,852,762 from the \$23,749,895 budgeted for 1971–72. Significant increases are proposed for criminal writs and appeals, an internal inspection and training unit, and identification and investigation services.

#### California Council on Criminal Justice

The budget for the council proposes a significant increase for the 1972–73 fiscal year. In addition to funding the ongoing support operations of the council, an amount of \$1,665,000 is proposed from the General Fund for the state's cash-match contribution for federal grants received under the Omnibus Crime Control and Safe Strets Act of 1968.

#### Military Department

The Military Department is responsible for organizing and directing the activities of the California National Guard. The Army National Guard consists of approximately 22,500 officers and men in full operational readiness, assigned to 181 units located in 107 communities from Oregon to the Mexican border. The Air National Guard consists of approximately 5,000 officers and men assigned to 57 units. The National Guard is subject to federal mobilization in time of national emergency, but otherwise is available to the Governor for military support of civil authority anywhere in California in the event of natural or warcaused disasters, civil disturbances or other emergencies.

A school of civil disturbance operations for members of law enforcement, government officials, public utilities and the military, financed entirely from federal funds, has been established at Camp San Luis Obispo. At the completion of the course the participants will possess the knowledge to advise their agencies in planning and control techniques for civil disturbance and other special operations.

The Military Department also operates the California Cadet Corps Program by prescribing rules and regulations pertaining to the organization of cadet units and training to be conducted, provides supplies, uniforms, manuals and conducts inspections. The schools provide facilities, pay salaries of commandants

of cadets and guide and control their respective units. The Department of Education coordinates with the Military Department through a Department of Education representative on the Advisory Committee for the California Cadet Corps.

#### Department of Finance

The Director of Finance serves as the Governor's chief advisor in fiscal matters. This role is carried out through three programs: (1) The program and budgetary system, (2) fiscal and program compliance, and (3) electronic data processing control and development.

In a continuing effort to control and streamline high expenditure areas, emphasis will be placed on special projects in both the current and budget years. One such task force is currently working on measures of program effectiveness to be used in continuing program evaluation.

A new unit was created in the department to review and control expenditures and to plan for electronic data processing. This unit will serve to coordinate the state's use of its computing capabilities to insure efficient and effective utilization of this expensive resource.

The department is now completing the programming and initial implementation of the budget data system and will use it in parallel during the budget discussions before the Legislature this year.

#### Salary Increase

This budget contains \$74.2 million of General Fund and \$21.6 million of special funds for employee salary increases. Of the total amount proposed, the University of California would receive \$20.7 million and the state colleges \$21.9 million. The remaining \$53.2 million would be for state employees other than those in the university and colleges. The salary setting authorities will determine how much, if any, of the funds allocated to them will be utilized for across-the-board increases and how much will be used to correct inequities. The amounts proposed in the budget would equate to the amount of money necessary for a 5-percent increase for state employees and a  $7\frac{1}{2}$ -percent faculty salary rise.

Two million dollars of General Fund and \$1 million of special and other funds are provided to further increase the state's contribution toward employee and annuitant health insurance premiums. These funds will provide for a total monthly state contribution of \$16 for 1972–73 as contrasted with the \$12 in 1971–72 and \$14 in 1972–73 authorized under current law. Legislation will be sponsored by the administration to authorize this acceleration of employer contributions.

Funds are included to reflect the judicial salary adjustment based only on the 1971 index change. This change, estimated at 4.2645 percent, is effective September 1, 1972.



# Agriculture and Services

Departments within this area are a grouping of diverse, independent and complex programs. They are primarily concerned with: promoting, protecting and developing agriculture; protection of consumers through regulation and licensing of professional individual business services; selected programs involving central administrative operations of the state such as Franchise Tax Board, Personnel Board and General Services.

#### Department of General Services

The Department of General Services provides state agencies with centralized support services. This centralization requires the department to constantly seek more efficient and effective approaches to its goals.

Continuing emphasis on the state's central records management program has resulted in a substantial reduction of stored official paperwork and records. As a result of this reduction, savings in storage costs have been realized. In addition, the program has provided a more effective system of records management. In 1972–73 added emphasis will be placed on developing greater microfilm capabilities for the maintenance of records.

The consolidation on a trial basis of radio engineering and maintenance service functions of the Division of Highways with the Department of General Services' Communications Division has produced significant advantages in improved service, increased efficiency and added economies. Actual combined savings of \$166,483 were realized in 1970–71 as a result of this consolidation. In the budget year, permanent consolidation of these functions is proposed.

Chapter 578, Statutes of 1971, appropriated \$600,-000 to the department, Office of Administrative Procedure, for the purpose of conducting "fair hearings" in the Department of Social Welfare. Due to the unanticipated increase in the number of requests for "fair hearings", the Office of Administrative Procedure has been appropriated these funds on a one-time basis in order to deal immediately with the requirement for additional hearings.

#### Public Employees' Retirement System

The enactment of Chapter 170, Statutes of 1971, changed the basic benefits formula for all miscellaneous members of the Public Employees' Retirement System to 2 percent of pay at age 60 multiplied by the number of years of service. This represents a 20 percent improvement over the previous benefit structure. This same legislation also lowered the mandatory retirement age and increased the vesting period for system members.

The 1971 legislative session also saw the enactment of Chapter 1617. This statute increases the monthly benefits which are paid under the 1959 survivor benefit program to amounts approximating the survivor benefits payable under social security. About 36 percent of all state employees who are not covered by social security participate in this program.

#### Franchise Tax Board

Chapter 1, Statutes of 1971, First Extraordinary Session, provides for the withholding of state personal income tax. Planning for a withholding program was accomplished by the Franchise Tax Board and the Department of Human Resources Development. This legislation will have a significant effect on the Franchise Tax Board's programs.

#### State Teachers' Retirement System

With the enactment of Chapter 1305, Statutes of 1971, which becomes effective on July 1, 1972, both the retirement benefits and the funding structure of the State Teachers' Retirement System will be substantially reoriented. Retirement benefits will be calculated on the basis of 2 percent of pay at age 60 multiplied by the number of years of employment. This is a 20 percent increase in benefits over the previous law. Disability, survivors, and death benefits are also increased by this statute. In addition, the retirement and disability benefits of those teachers who retired prior to July 1, 1971, will be adjusted for cost of living to bring them up-to-date at July 1, 1972.

Finally, this law provides that retirement benefits will be adjusted annually by a 2 percent cost-of-living

adjustment.

A constitutional amendment was passed in November 1970 and enabling legislation was enacted in 1971 permitting investment in stocks. Investments are currently made only in bonds and mortgages. This change will give the retirement system added investment flexibility.

#### Department of Consumer Affairs

The Consumer Affairs Act of 1970 provided for a broadening of the scope of the Department of Consumer Affairs to include not only the areas under the review of various boards and commissions but all facets of business where the consumer might be faced with deceptive sales practices or products which may endanger his health or safety.

In order to fully implement this objective, the department has undergone a reorganization which included the creation of a new Division of Consumer Services and the strengthening of the Division of Investigations. The budget contains a proposal to ex-

pend \$131,135 for implementing this change in program emphasis during 1972-73.

Legislation was passed during 1971 which created the Bureau of Automotive Repair with responsibility to oversee the regulation of this industry and attempt to reduce the number of consumer complaints in the areas of automotive repair dealers, lamp and brake adjustment stations, and pollution control device installation stations. The budget for this new bureau is being prepared and will be presented during the 1972 legislative session.

#### State Personnel Board

The Welfare Reform Act of 1971 gave the State Personnel Board the responsibility of administering a \$7 million program to expand the employment opportunities for welfare recipients within the state and local government sectors. The department plans to conduct this program over a two-year period with maximum emphasis on the number of recipients trained and employed in meaningful permanent job classifications.



# Business and Transportation

The three broad program areas in this agency represent: (1) the state's interest in promoting a sound fiscal and business community based on ethical and proven management practices to the end that the economy is healthy and the public is protected from

economic loss and illegal or unethical business practices; (2) the state's concern with the efficient, rapid and safe movement of people and goods throughout the state; and (3) public safety.

#### **BUSINESS**

#### EXPENDITURE AND AUTHORIZED POSITIONS SUMMARY

	Expenditures			Authorized Positions			
Department	1971-72	1972-73	Change	1971-72	1972-73	Change	
Banking	\$1,470,895	\$1,626,134	+\$155,239	86	95	+9	
Corporations	3,190,811	3,187,000	-3,811	281	274	-7	
Insurance	4,717,316	3,230,197	-1,487,119	303.5	304.5	+1	
Crime Insurance	500,000	500,000	_	_	-	-	
Riot and Civil							
Disorder Insurance	1,750,000	1,650,000	-100,000	_	-	-	
Real Estate	3,792,937	4,457,534	+664,597	228.4	233	$^{+4.6}_{+1}$	
Savings and Loan	2,878,475	2,925,825	+47,350	155	156	+1	
Alcobolic Beverage Control							
Department and Appeals Board	6,399,275	6,582,054	+182,779	$449.3\ 2$	450.3	+1	
Housing and Community							
Development	1,273,672	1,312,662	+38,990	133.9	135.2	+1.3	
Totals	\$25,973,381	\$25,471,406	-\$501,975	1,637.1	1,648	+10.9	

While net expenditures for the business and investment regulatory departments noted above are reduced by \$501,975 in 1972–73, this reduction is due to legislation (Chapter 418, Statutes of 1971) which changed the method of accounting for insurance company examination fees from General Fund revenue to reimbursements. This provides for full recovery of the costs of examinations as the only funds used to finance this activity will be those earned as reimbursements. Thus the 1972–73 Budget Act appropriation to the Department of Insurance is reduced and so are anticipated revenues.

As noted in the above summary, authorized positions for these seven departments are increased from 1,637.1 to 1,648 or 10.9 positions, an increase of approximately one-half of 1 percent. Keeping this increase to such a small amount is possible chiefly through careful management and operating efficiencies without sacrificing the quality of services provided.

The State Banking Department is adding 10 new examiner positions in its program of licensing and

supervision of banks and trust companies to handle increased workload in the areas of field investigations for new facilities and field examinations of licensees. Two clerical positions in this program are being eliminated due principally to the increased use of automatic office equipment. One new legal counsel is added to handle increased legal services workload. The need for the additional positions is illustrated by the growth in the number of financial institutions and in their assets as indicated in the following table.

#### STATE LICENSED BANK FACILITIES

	197071	1971-72 *	1972-73 *
Banks	85	94	102
Branches	656	715	776
Trust Companies	. 8	9	10
International Banking			
Corporations	1	1	1
Foreign Banking			
Corporations _:	23	28	35
Totals, assets (billions)	<b>\$15.8</b>	\$17.4	\$19.2
Totals, trust fiduciary			
assets (billions)	\$8.3	\$9.2	\$10.2
* Fetimated figures			

The Department of Corporations has revised its procedures in the processing of securities qualifications and in the examinations applicable to certain lender-fiduciary licensees. This, coupled with the enactment of the Retirement Systems Disclosure Law, has made possible a reduction of seven authorized positions in 1972–73. Under the disclosure law, fiscal information is now made available to the department on a regular reporting basis by the various retirement systems, and this reduces the number of field examinations required.

Net expenditures for the Department of Insurance are reduced in 1972-73 by \$1,487,119, but as explained above, this is due to a change in the method of accounting for insurance company examination fees. The Riot and Civil Disorders Insurance Program is aimed at making available adequate property insurance coverage against losses from riots and civil disorders in those areas of the state where such coverage cannot be obtained through the normal insurance market. Under the Federal Urban Property Protection and Reinsurance Act of 1968 and Chapter 649, California Statutes of 1969, the State of California has a contract with the Riot and Civil Disorders Insurance Association. The premium for 1972-73 is \$100,000 less than for 1971-72. This lower rate was successfully negotiated as a result of favorable loss experience in the past year.

Many cities are being threatened by the deterioration of their inner city areas, and responsible owners of well-protected residential, business, and other properties are unable to obtain adequate crime insurance coverage. The lack of such coverage accelerates the deterioration of these areas by discouraging private investment, and this deterioration poses a threat to the economy of the state. The Crime Insurance Program is aimed at alleviating this situation by providing for the equitable distribution of crime insurance among the various insurers. This applies to qualified property for which crime insurance is not available through the normal insurance market. Under the Insurance Code a contract has been negotiated between the State of California and the Crime Insurance Pool of the California FAIR Plan Association (fair access to insurance requirements). In accordance with the provisions of the enabling legislation (Chapter 415, Statutes of 1971) the state can reimburse the Crime Insurance Pool up to \$500,000 per year, and the 1972-73 budget provides for that potential obligation.

The Department of Real Estate is proposing to use \$500,000 from the Real Estate Education, Research and Recovery Fund in 1972-73 to establish an endowment program in real estate teaching and research at the University of California. The interest from this \$500,000 will be used to fund this program on a continuing basis. Endowment conditions will be specified by the Real Estate Commissioner, and the primary emphasis will be on real estate law and practices and the numerous factors influencing the complex field of real estate. The department is also adding 2.6 manyears of temporary help for proctoring examinations. Licensing examinations are given on Saturday and these temporary help positions will permit the hiring of proctors and will save paying time and one-half to regular personnel for Saturday work. The Real Estate Commissioner is required by law (Chapter 1539 of

the 1971 Regular Session) to approve private real estate school courses or supervised instruction under certain conditions. Two positions are being added to perform this function with the additional costs being offset by fees.

The 1972-73 Budget for the Department of Savings and Loan provides \$24,000 in contract funds for the comprehensive review and revision of the California Financial Code provisions applicable to the state supervised savings and loan industry. The project will take three years, beginning with the budget year. There now exists the need to better organize the growing body of law concerned with state-licensed associations and to eliminate inconsistencies and ambiguities which have accumulated over the years.

The Department of Alcoholic Beverage Control and the Alcoholic Beverage Control Appeals Board are budgeted at approximately the current program level with the exception of one additional position for the department and increased costs due to price changes. The added position for the department is an investigative auditor to be located in the northern division area. It is anticipated that monetary penalties resulting from investigations will at least equal the cost of this position.

The Department of Housing and Community Development has reordered its priorities and is thus able to add a new program element—California Community Development Study, aimed at strengthening state involvement in community development—with a net increase of only 0.8 man-years. The department will investigate the feasibility and desirability of the formation of a California Community Development Funding Association as a public entity involving the public and private sector. The major objectives of such an entity would be:

- 1. To take advantage of the present federal program trend toward greater state involvement and thereby increase this state's share of available federal funds for housing and community development.
- 2. To maximize the participation of private enterprise in state-motivated housing and community development projects.
- 3. To provide a vehicle or conduit for a federal revenue-sharing program.

#### TRANSPORTATION

The Business and Transportation Agency is actively analyzing ways of improving California's transportation programs to meet the state's urgent transportation challenges. This effort will enable the State of California to provide leadership while giving local communities the greatest possible authority over transportation decisions that apply to their area.

In conducting this ongoing effort, the Business and Transportation Agency has placed primary emphasis on the transportation needs and requirements unique to California. However, the agency also examined the programs of other states with similar transportation needs in order to benefit from their experience. Areas such as financing, organization of their transportation activities including departments of transportation, and what these states have accomplished, have been reviewed. In addition, the agency has contacted the U.S. Department of Transportation on the future of

federal transportation programs and the best mechanisms for our coordination with the federal government.

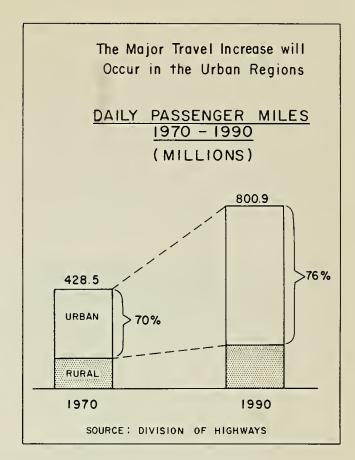
#### Today's Transportation Challenges:

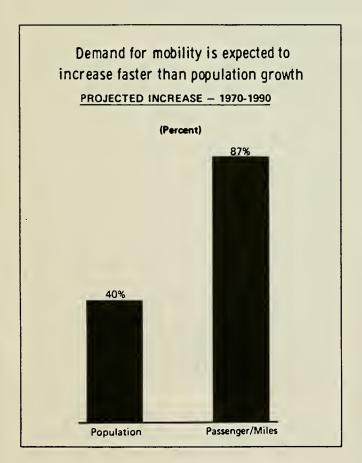
California presently enjoys one of the finest transportation systems in the world. In seeking to insure the continued development of a balanced statewide system, several challenges do confront our state.

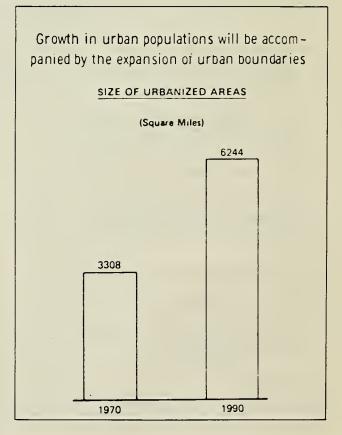
#### Growth in Urban Travel

Two basic forces are at work that are having a profound effect on the demand for transportation services in California. First, California's population is expected to grow by an estimated 40 percent in the next 20 years. Virtually all of that growth will be concentrated in urban areas. Second, travel demand is expected to continue to grow more than twice as fast as population. The combination of these two trends will amount to almost a doubling of travel in our urban areas in the next 20 years.

As a result, travel demands in major urban areas will soon exceed the practical capabilities of the highway program. In fact, anticipated traffic on 10 of our urban corridors (4 in San Francisco and 6 in Los Angeles) will be so high as to call for 14 to 22 lane freeways under existing systems. Plans call for no more than 12 lanes as the practical limit. Alternative means of moving people must be found or else we will face a stifling of our cities.







#### Local Governments and Regional Transportation Problems

Urban population growth will continue to be accompanied by the extension of urban regional boundaries. By 1990 it is anticipated that more than 6,000 square miles of the state will be urbanized, doubling today's 3,000. Regional boundaries largely determine an area's transportation requirements, but these encompass many separate local governmental jurisdictions (cities and counties). Existing local governments, however, are facing increasingly difficult obstacles in handling the regional transportation problems brought about by this growing urban sprawl.

#### Public Concern

A growing number of taxpayers are becoming concerned over certain aspects of the present transportation system. To a large extent, this concern has been directed toward the environmental impact of the system and includes the problem of air pollution. Mounting public dissatisfaction is reflected in the State Legislature's as well as the federal government's increasing activity in public transportation matters. In 1967, four public transportation-related bills were introduced into the State Legislature. That number has grown each year to 19 in 1971. This is a formidable mandate to plan for the future.

#### Existing Transportation Planning at Both the State and Local Levels

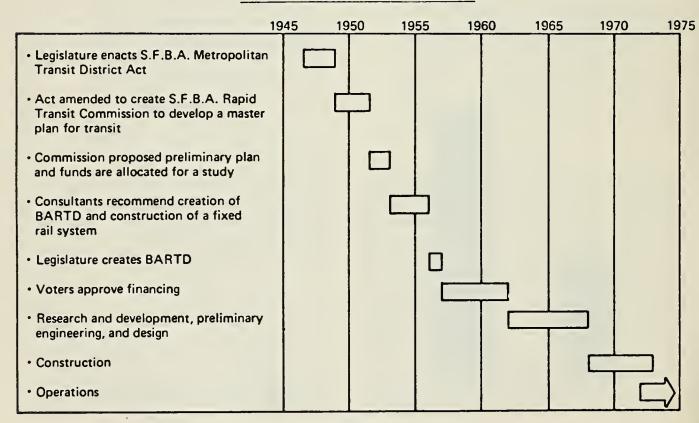
Currently, transportation planning decisions are made by independent single-mode agencies or special districts at the state, regional, and local levels. For example, in one area analyzed there are at least 15 overlapping agencies, in addition to individual local city and county governments; all with some responsibility for transportation planning. The existence of many single-mode agencies hampers effective integration of transportation and community planning. Regional planning agencies which in theory are responsible for developing regional transportation plans as part of their comprehensive planning process have been largely ineffective due to a lack of funds to perform transportation planning and a lack of authority to implement plans they might develop.

Timely action is clearly required if California is to meet successfully these transportation challenges and maintain its leadership among the states in developing an efficient transportation system for its residents and industries. Several other states facing similar problems have responded to these challenges by assuming various degrees of responsibility for coordinating statewide transportation planning for all modes.

If California is to meet the transportation challenges and requirements of the next 20 years, it must begin now to look at the transportation system as a whole and to provide a means of coordinating the planning and development of the various modes. Due

#### Extended time period required to develop a major public transit system

#### BARTD DEVELOPMENT TIMETABLE



to the extensive length of time required to translate transportation plans into operational systems to meet the travel demands expected 10 or 20 years in the future, intensive planning must begin now. For example, BART has required over 20 years from concept

to initial operation planned for 1972.

The transportation problems of funding, growth in travel demand, and organization have been herein briefly stated and presented. The Business and Transportation Agency will seek the full cooperation of the California Legislature, local and federal governments in resolving these problems so that in the future, California's integrated transportation system will become a substantial asset, not a dilemma.

#### Office of Transportation Planning and Research

The Office of Transportation Planning and Research was established within the Business and Transportation Agency to provide the Secretary of Business and Transportation, the State Transportation Board, and the Legislature with advice and assistance concerning the effectiveness and compatibility of public programs in transportation in relation to other public concerns and private enterprises. This office is requesting 5.2 additional positions in the fiscal year 1972-73. The additional staff will be utilized primarily for the State Transportation Planning Study. This study can be characterized as being the State Master Plan for Transportation and the first study to incorporate mass transit systems with other transportation modes. As such, it will be the basic program for future state participation in transportation. The plan will incorporate a short-range, 5- to 10-year recommendation, and long-range, 20- to 30-year recommendation, so as to offer maximum responsiveness to future state transportation need.

As a result of the passage of Senate Bill 325 (Chapter 1400), new revenues will be allocated to local government for mass transit purposes. The Office of Transportation Planning and Research, serving as staff to the Secretary of Business and Transportation, is currently in the process of developing rules and regulations for the apportionment of these local transportation fund revenues as required by Senate Bill 325 for its implementation following the effective date of July 1, 1972. The Office of Transportation Planning and Research will also assist the Secretary of Business and Transportation in the ongoing administration of this act.

This legislation also called for the establishment of statewide and regional transportation research and demonstration grants to be administered by the Secretary of Business and Transportation. The funding for these projects was to be derived from those increased revenues that might have otherwise gone to the state's General Fund as a result of enactment of SB 325. Recent revenue estimates indicate, however, that no additional state revenue will be derived for this purpose. New legislation may be required in order to provide a continuous source of funding for projects of this type.

#### Department of Public Works

It is the responsibility of the Department of Public Works to develop and maintain a statewide system of highways, including toll bridges, which is consistent with the needs of the public and is balanced and integrated with other means of transportation. Consistent with this objective, the 1972–73 state highway budget contains \$642,973,000 for major construction and improvements, including rights-of-way and engineering, and will provide for the construction or widening of approximately 160.5 miles of freeways, including 56 miles of California's 2,288-mile share of the interstate system.

It also will construct or widen 23 miles of four-ormore-lane expressway, 25.5 miles of two-lane conventional highways and 2.5 miles of two-lane expressways. The mile-age figures do not include construction started in the current or previous budget years. The new budget contains \$218,417,000 to continue these projects.

Estimated revenues from federal aid total \$394,-142,000, of which the largest amount, \$294,080,000, is for completion of the interstate freeway system. This represents a drop of \$8,178,000 compared with the budget for the 1971–72 fiscal year.

Among highlights of the new budget is a \$23,600,000 project to construct lanes for the exclusive use of commuter buses on the 11-mile stretch of the San Bernardino Freeway (Interstate 10) between El Monte and just west of the Santa Ana Freeway (Interstate 5) in Los Angeles, and to provide a parking lot for 1,400 automobiles near the El Monte bus station.

Also included are operational improvement projects along nearly 40 miles of freeway which will install ramp metering devices to control access to freeways during peak hours, provide auxiliary lanes for weaving movements between the on-ramp of one interchange and the off-ramp of the next, and provide changeable message signs to alert motorists to traffic conditions ahead.

The budget matches the record amount of \$16,000,000 in the 1971-72 budget for a traffic safety program of engineering improvements at points of accident concentration.

The new budget will make a substantial impact on the State Highway Commission's and department's goal of providing greater compatibility between the state highway system and the environment, and includes \$941,000 for environmental research and pollution control.

Another \$11,940,000 has been included in the contingency fund which will eventually be allocated to a newly created federal-aid urban system after additional legislative guidelines for such allocations have been established.

The department's budget has been developed with an increased utilization of the program budgeting concept. The new planning, programming and budgeting system has enabled department management to make more effective decisions in guiding the development of public benefits through the various programs.

#### Department of the California Highway Patrol

The 1972-73 budget for the Department of the California Highway Patrol provides for 73 new uniformed and nonuniformed positions. Authorized traffic officer positions have been increased to extend the

present level of service to new freeways scheduled to open in the San Jose, Bakersfield, and San Diego areas. The extension of the Los Angeles freeway emergency telephone system and the fact that deployment of field enforcement units has been increased has necessitated the addition of 21 radio dispatcher positions.

The budget also proposes a new unified system of accident reporting. Under the existing system, the Department of Motor Vehicles, the Department of Public Works, and the Highway Patrol process each accident report through their own computer processing operation. Under the new system, all coding and keypunching of collision data will be performed by the Highway Patrol as part of an integrated processing operation. The proposed system will not only eliminate redundant processing but will provide an improved level of service at a reduced cost.

The capital outlay budget provides for the land acquisition and/or construction funds for new area office facilities at Fairfield, San Diego, El Cajon, San Juan Capistrano, Torrance, West Valley, and Ventura. These new facilities are needed to replace overcrowded leased facilities or to better serve areas of rapid population growth.

#### Department of Motor Vehicles

It is estimated for 1972–73 that the Department of Motor Vehicles will register and collect fees on 15,-265,000 vehicles and maintain the records on 12,995,-000 outstanding drivers' licenses. The department will process 746,000 original drivers' licenses and 2,959,-000 renewal drivers' licenses during the budget year. This represents a 4.37-percent increase in vehicle registration and a 5.06-percent increase in drivers' licenses outstanding. Small boats to be registered by the department will total 458,000 in the budget year, an increase over the current year of 6.51 percent.

To support these major workload changes, the 1972–73 budget reflects an increase of 177.4 manyears and \$3,142,222 over the revised budget for 1971–72. The revised personnel estimates for the current year show a net reduction of 252 man-years compared to the man-years authorized in the 1971–72 budget. These reductions resulted primarily from: (1) revised estimates of efficiency based on engineered time standards used for estimating the manpower requirements, (2) continuous implementation of automated methods, and (3) work simplification.

Funds have also been included in this budget to provide for colored photographs on all drivers' licenses pursuant to Chapter 1324, Statutes of 1971.

In the capital outlay budget, funds are included for the construction of new Department of Motor Vehicle field offices in or near Bell, Redwood City, Modesto, Santa Cruz and Santa Rosa. The budget also provides money for the acquisition of land for new offices needed to better serve the communities of Costa Mesa, Merced and Santa Clara.

#### Department of Aeronautics

With the adoption of airport noise regulations in 1971, California was the first state in the nation, to develop a definite plan of action for the reduction of

noise at airports. The budget for 1972-73 provides funds to continue activities in the area of airports noise control. In addition, a total of \$2,690,000 has been allocated by the Aeronautics Commission to assist local jurisdictions in airport development and improvement.

#### **PUBLIC SAFETY**

Safety for the traveling public will always receive top priority from the Business and Transportation Agency and its component departments.

Based on preliminary statistics, fewer people were killed and injured on California's highways in calendar 1971 than in the preceding year. This is important and most meaningful in view of the fact that during the same period, California experienced an increase in the number of registered vehicles, licensed drivers and number of miles traveled. During 1971, California was presented the American Automobile Association Pedestrian Safety Inventory Award for progressiveness among the states for the third consecutive year.

While other departments of state government, local governments and the private sector have programs that are part of and contribute to the overall traffic program in the state, the Business and Transportation Agency remains the primary unit for traffic safety efforts at the state level. The traffic safety related activities of its component departments are funded for 1972–73 at a level consistent with maintaining leadership and improving California's respected traffic safety posture.

Major contributions by the departments within the agency to this record included further incorporation of safety design features by the Department of Public Works; increased enforcement of traffic laws by the California Highway Patrol; additional counseling of negligent operators, driver improvement analysis and streamlined methods of licensing drivers by the Department of Motor Vehicles; and improvement of the traffic safety environment through allocation of federal highway safety grants to state and local governments by the Office of Traffic Safety.

Additionally, the agency through its Department of Aeronautics is also responsible for regulating the use of the airways by private citizens so as to reduce risk insofar as possible. To serve this end, the completion of the Statewide Master Plan of Aviation is an important short-term objective as is the sponsorship of flight safety seminars and clinics.

These activities will supplement such ongoing responsibilities as planning and assisting in the development of airport expansions and new airports to assure that flight and ground access routes are as free from hazard as possible.

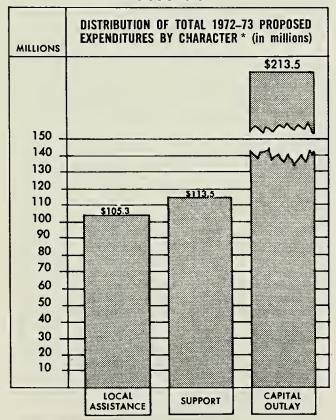
Mobilehome construction and housing safety standards are continually being updated by the Department of Housing and Community Development to provide safer housing. In the current fiscal year, the department developed and implemented structural standards for mobilehomes which will further increase their safety and reliability. These activities involve factory site construction inspection and codification of statewide regulatory standards.



## Resources

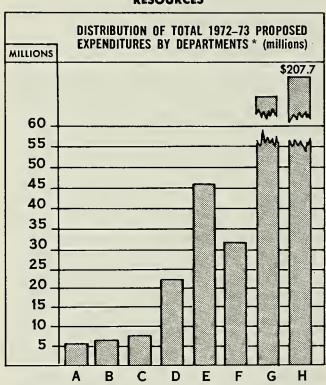
These programs are directly concerned with protecting, preserving, enhancing and developing, for the benefit of all Californians, the state's environmental wealth. Programs funded by the state range from those designed to attain and maintain desirable standards of air and water purity, to forest firefighting, flood control, water development and the creation of recreational opportunities.

#### **RESOURCES**



\* All funds including General Fund, special funds, and band funds.

#### RESOURCES



- A. OTHER \$5.6
- B. NAVIGATION AND OCEAN DEVELOPMENT \$6.5
- C. AIR RESOURCES 80ARD \$7.8
- D. FISH AND GAME \$22.3
- E. CONSERVATION \$45.3
- F. PARKS AND RECREATION \$31.8
- G. WATER RESOURCES CONTROL BOARD \$105.3
- H. WATER RESOURCES \$207.7
  - \* All funds including General Fund, special funds, and bond funds.

#### RESOURCES AGENCY

The Resources Agency, under the direction of the Resources Secretary, is composed of the Departments of Water Resources, Parks and Recreation, Conservation, Fish and Game, Navigation and Ocean Development, the Air Resources Board, the State Water Resources Control Board, the Reclamation Board and such smaller entities as the San Francisco Bay Conservation and Development Commission, and the Colorado River Board.

A brief description of the Resources Agency activities follows:

The Secretaries for Resources and Business and Transportation are responsible for developing environmental protection plans for expenditure of the California Environmental Protection Program Funds which are derived from the sale of personalized motor vehicle license plates. The 1972–73 budget proposes the expenditure of some \$1.9 million for environmental protection programs.

#### Department of Conservation

The department's principal goals are the protection, conservation, and development of California's natural assets—its forests (both commercial timber and wildland), watersheds and rangelands, its mineral deposits, and its soil resources. Protection of life, property and resource values from fire and geologic hazards is stressed.

The Watershed and Fire Protection Program is managed by the Division of Forestry and the Division of Resource Conservation. The program's objective is to protect the private and state-owned watershed lands from fire, insects, disease and misuse by man. The protection of forest, brush and grass wildlands from long-term damage and the achievement of a more intensive and better use of the land and water resources is basic to the continued economic and social utilization of these limited natural resources.

The Geologic Hazards and Mineral Resources Conservation Program is managed by the Division of Mines and Geology. The program objective is to conduct geological investigations to identify and provide timely delineation of geological hazards and to identify, delineate and assist in the ultimate utilization of deposits of mineral raw materials, both onshore and offshore, consistent with wise conservation practices.

The Oil, Gas, and Geothermal Protection Program is managed by the Division of Oil and Gas. The program objective is to prevent waste or damage to the immediate environment and other natural resources, provide for greater ultimate recovery of oil, gas, and geothermal resources, and prevent contamination of fresh waters penetrated by wells.

The department's budget contains \$45.3 million in state funds for these programs in 1972–73.

Chapter 1152, Statutes of 1971, established the Strong Motion Instrumentation Program for the purpose of acquiring, installing, and maintaining strong motion instruments in representative geologic environments and structures throughout the state. This new program is budgeted at \$193,683 for 1972–73 and will be managed by the Division of Mines and

Geology. The program is financed from a special fund consisting of fees collected from city and county construction posmits.

struction permits.

Beginning in 1972-73 it is proposed that the Division of Forestry assume fire protection of approximately 580,000 acres of land currently under contractual protection by the U. S. Forest Service. Also proposed in 1972-73 is the establishment of four additional helitack crews to meet fire attack needs in problem transportation areas of the state.

#### Department of Fish and Game

The objective of the Department of Fish and Game is to insure the perpetuation and enhancement of fish and wildlife for the present and future use and enjoyment of the citizens of the state. In 1972–73, the department proposes a budget of \$25 million to accomplish this objective. The department's six programs include enforcement of laws and regulations, wildlife, inland fisheries, anadromous fisheries, marine resources, and environmental services.

The enforcement program accounts for almost onethird of the department's budget. The objective of this program is to insure that the Fish and Game Code is enforced to a degree that will provide for the maximum sustained yield, utilization and enjoyment

of the fish and wildlife resources.

The wildlife management program attempts to perpetuate and conserve wildlife found throughout the state, to maintain optimum breeding stock of our wildlife species and to obtain a maximum harvest of those game species that have an open hunting season. Over five million days of recreation for California hunters are provided by upland game species alone.

The inland fisheries program seeks to provide diversified and satisfactory fishing for California anglers while insuring the perpetuation of the state's native fisheries. Freshwater fishing in California currently sustains about 18,000,000 angler-days annually. To supplement natural fish production, the department operates 23 hatcheries which annually produce almost three and one-half million pounds of fish for stocking purposes.

The anadromous fisheries program deals with the important species of salmon, steelhead, striped bass, shad and sturgeon. These resources support an estimated three million angler-days of recreational fishing annually, while the commercial catch of salmon aver-

ages eight million pounds annually.

The marine resources program has as its goal to maintain all species of marine fish and marine wildlife for their intrinsic and ecological values as well as for their direct benefits to man. California now produces about one-tenth of the five billion pounds of commercial fishery products produced by the United States. Marine sport anglers fish more than six million days annually and land over 29 million pounds of fish in California in addition to the commercial catch.

The program of water projects and water quality involves the review and study of federal, state, and state-assisted water projects, federal highway projects, and statewide water quality conditions to protect and augment existing fish and wildlife resources.

Increased hunting and fishing license fees will pro-

vide additional annual revenues of approximately \$5 million in the budget year. This budget proposes additional expenditures of \$581,000 as an initial increment in providing needed program augmentations.

These increased expenditures will allow for needed inprovement in the enforcement of laws and regulations. Other program changes made possible by new revenues and proposed in this budget are: 1. Increased trout angling opportunities are to be provided by stocking selected reservoirs near metropolitan areas during winter and spring periods; 2. the development of an experimental plan to fully utilize the potentials of warmwater fishing in reservoirs; 3. Development and implementation of new habitat manipulation practices and the development of a management program for the North King Deer Herd; 4. The providing of services to the ocean sport fishermen by designing ocean fishing maps, information on sport fishing, fishing access and the location of fishing reefs; 5. Increased emphasis of water quality, the development of federal and state programs for pollution control and the increasing number of accidental pollution incidents require the development and evaluation of data to properly represent the department's interest in water quality; finally, the department plans to provide better informational services to the license buyer and the general public.

#### Department of Navigation and Ocean Development

The Department of Navigation and Ocean Development is the department in the Resources Agency established to implement state and/or federal acts related to ocean and coastal zone matters and to administer the state's boating safety and boating facili-

ties development programs.

The objectives of the Department of Navigation and Ocean Development are to prepare the Comprehensive Ocean Area Plan as mandated by the "Marine Resources Conservation and Development Act of 1967", to develop and improve the waterways and boating facilities of the state, to promote safety of persons and property in and connected with the operation of vessels on state waters, to license yacht and ship brokers and salesmen, and to conduct a beach erosion program in cooperation with the federal government

and agencies of local government. The 1967 Legislature passed California's "Marine Resources Conservation and Development Act of 1967" charging the Governor to prepare a California Comprehensive Ocean Area Plan (COAP). The Governor, by Executive Order 67-25 of August 24, 1967, organized the Interagency Council for Ocean Resources to provide policy guidance for the COAP project. The COAP objectives are to develop, encourage and maintain the orderly, long-range conservation and multipleuse development of marine and coastal resources in the total public interest; to optimize the development of mineral, food, and other living resources of the sea, the improvement of commerce, transportation and recreational uses, and the wise use of coastal, tide and submerged lands to meet the demand of population growth in the coastal zone; to promote and coordinate the effective utilization of the scientific and engineering resources of the state and to prevent conflict of ocean-oriented activities between governmental and private sectors, and designate lead agencies to implement specific sections of the plan.

The boating facilities program comprises over 80 percent of the department's budget. Launching facility grants are proposed at Mayflower Park (Riverside County), Packers Bay, Shasta Lake (Shasta County), Trinity Center, Clair Engle Lake (Trinity County), and Medicine Lake (Siskiyou County). Small Craft Harbor construction loans are planned for the Berkeley Marina and the San Leandro Harbor (Alameda County), Crescent City Harbor (Del Norte County). Cabrillo Marina, Los Angeles Harbor (Los Angeles County), Oceanside Harbor (San Diego County), Santa Cruz Harbor (Santa Cruz County), Pillar Point, Half Moon Bay (San Mateo County). Capital Outlay projects are also proposed at Angel Island State Park, Brannan Island State Recreation Area. Colusa-Sacramento River State Recreation Area, Granite Bay and Rattlesnake Bar at Folsom Lake. Long Beach, Millerton Lake State Recreation Area. Perris Reservoir, and Pyramid Reservoir.

The boating safety and regulation program promotes uniform enforcement by proposing to provide financial aid to 20 counties and the Department of Parks and Recreation for boating law enforcement. Although boating accidents are decreasing on a per capita basis, education of the boating public on safe boating practices continues through the development and continuous dissemination of boating safety literature, boating safety research, and the coordination of the state's safety and regulation program with organizations concerned with boating safety and enforcement and to provide support for these organiza-

tions where appropriate.

The beach erosion control program proposes \$128,700 to fund stage 5(b) of the Orange County Beach

Erosion Control Project.

The department also proposes the establishment of the Marine Transport, Terminal and Navigation Plan to be used in the State Transportation Plan and in the COAP, and, to set forth priorities for projects to insure that California's marine transport system is both effective and economically judicious and to cooperate with the federal government and initiate independent studies to enhance marine safety.

#### Department of Parks and Recreation

The Department of Parks and Recreation budget provides for gross expenditures of \$46.8 million in 1972–73. Net expenditures are \$31.8 million after deductions of \$5.8 million in Federal Land and Water Conservation funds, \$0.6 million from Save-the-Redwoods League, and \$8.7 million in reimbursements. The latter figure is substantially increased over 1971–72 because park fees which have previously been treated as General Fund revenues are proposed as reimbursements in the budget year. It is expected that this shift will assist the department in financing workload increases due to more park visitors and the opening of new park facilities.

Principal objectives of the department include:

- 1. To secure and preserve elements of the state's outstanding landscape, cultural and historical features.
- 2. To provide for the meaningful and constructive use of people's uncommitted time.
  - 3. To help people understand and appreciate,

through an interpretive program, the state's cultural, historic and natural heritage.

4. To maintain and where necessary improve the

quality of California's environment.

5. To maintain a statewide recreation plan that includes a continuing analysis of the state's need for recreational areas and facilities, and a recommendation of the levels of public and private responses for meeting this need.

6. To encourage all levels of government and private enterprise throughout the state to participate, whenever feasible, in the development and operation

of recreational facilities.

The major activity of the Department of Parks and Recreation is the development and operation of the state park system. It is anticipated that over 45 million people will visit these facilities in 1972–73.

In 1972–73 the department continues its emphasis on the planning and development of recreation facilities at state water projects. This is the result of the successful passage of Proposition 20 in the November 1970 election. Proposition 20 established the Recreation and Fish and Wildlife Enhancement Bond Fund and the department has assumed the responsibility for a \$54,000,000 recreation development program at state water projects.

In 1972-73, \$1,054,000 is proposed for workload increases tied to operation of the state park system. The largest single item in this category is the opening of an extension of the Pismo Beach area, which has re-

cently been acquired with park bond funds.

The 1972-73 capital outlay budget for the department proposes expenditures in excess of \$22.4 million, including \$5.8 million in Federal Land and Water Conservation Funds and \$0.6 million from Save-the-Redwoods League. Over \$4.6 million of this total is from the State Beach, Park, Recreational and Historical Facilities Bond Act of 1964. Over \$11 million is proposed from the Recreation and Fish and Wildlife Enhancement Fund authorized by Proposition 20. Some of the major areas proposed for development in 1972-73 include Point Mugu State Recreation Area, Del Valle Reservoir, Frenchman Lake, Perris Reservoir, San Luis Reservoir, and Sawpit Canyon.

#### Department of Water Resources

The primary objective of the 1972-73 expenditure program of the Department of Water Resources continues to be maximum beneficial use of California's water resource consistent with a public concern for the environment.

Increasing emphasis is being given toward developing alternatives to further development of surface and ground water basins. For 1972-73, \$737,000 is proposed in investigating desalination, geothermal resource, weather modification and waste water reclama-

tion, up from \$383,000 in 1970-71.

Completion of the State Water Project remains essentially on schedule, with increasing amounts of water being delivered in northern and central California. Water deliveries will begin in 1972–73 in southern California. Power will continue to be generated at Oroville, and new hydroelectric powerplants at Castaic and at Devil Canyon, north of San Bernardino, will begin generation in 1972–73. Recreational facilities at the new southern California reservoirs and

fishing access sites along the aqueduct are being developed to be ready when the facilities are capable

of delivering and storing water.

The department will continue to administer the program which contributes the state's share of appoved flood control projects constructed by the federal government by reimbursing local agencies for acquiring lands, easements, and rights-of-way for these authorized flood control projects. As part of the same program, the department will continue to meet its statutory responsibilities for the safety of dams within the state.

#### State Water Resources Control Board

The State Water Resources Control Board is charged with the function of determining the rights to the use of water, so that the limited water resources of the state are wisely used and, with the nine regional water quality control boards, to provide coordinated statewide control of water quality. The three major programs of the board are water quality control, plan-

ning and research and water rights.

The objective of the water quality control program is to end water pollution and to maintain the highest possible water quality. To work toward this objective the board must formulate water quality control policies, establish and review waste discharge requirements, perform surveillance and enforcement activities, review applications for federal grants and state financial assistance for construction of waste treatment facilities and provide coordination and technical advice on water quality matters.

The planning and research program provides comprehensive long-range planning to better manage the quality of the state's water. The data and information provided by this program is needed to solve the increasingly complex problems of water quality management. It includes the development of basin plans, the coordination of research and technological data, conduct specific studies and investigations, prepare and implement a statewide water quality monitoring in-

formation storage and retrieval system.

The objective of the water rights program is to obtain the greatest beneficial use of the waters of the state. It prevents waste or unreasonable use of water by administering the appropriation laws, also gives assistance to the courts in determination of water rights adjudications and maintains a record of water diver-

sions and use throughout the state.

The passage of the Porter-Cologne Water Quality Control Act and the Clean Water Bond Law of 1970 have greatly expanded the tasks and workload of the board. The Porter-Cologne Water Quality Control Act, which became operative on January 1, 1970, was the first major overhaul of the state's water quality control law in 20 years and is regarded as the toughest water quality control act in the nation.

The Clean Water Bond Law of 1970 provided \$250 million of state money as part of a one-billion-dollar federal-state-local program to construct new or improved wastewater treatment and disposal facilities in California over a five-year period. The board has the responsibility for administering this program.

#### Air Resources Board

The mission of the Air Resources Board is to control air pollution in California. Air pollution is complex,

both in its makeup and in its control.

This budget provides \$8.6 million (including \$880.000 in federal funds) for support of the air pollution control activities of the board, including funds for continued research into the causes of air pollution and the interaction of various pollutants in the atmosphere. As additional information is gained, new or revised air quality standards will be set for the contaminants. New emissions standards will also be set to control both stationary and vehicular sources of pollution.

California has turned the corner on vehicle pollution; however, more work is needed if the objective of restoring air quality is to be met, particularly with the increase in car population anticipated by 1980.

The 1970-71 budget provided \$1.6 million for constructing and equipping a new air pollution laboratory which will be capable of evaluating the numerous control systems being developed. It will also be used for research and development in connection with the increasingly critical emissions standards. This facility will be in operation during 1972-73.

The 1970 and the 1971 Legislature directed the Air Resources Board to initiate a number of new programs or expand current programs. This action will be reaching full effectiveness in 1972–73. The programs include control of agricultural burning, expansion of state air monitoring activities, coordination of local air pollution control districts, review of local air pollution rules and regulations, and a research program.

#### **ENVIRONMENTAL PROTECTION AND ENHANCEMENT**

The environment includes the total surroundings; the physical, biological and cultural factors, both natural and manmade, which affect health, senses and intellect. Major physical factors of the environment which must be considered are land, water, air, climate, sound, odors, tastes, and manmade structures. Biological factors of the environment are animals and plants, both wild and domestic, native and introduced. Man himself is part of the biological environment. Cultural environmental factors are the characteristic features of a given stage of civilization, the architectural styles, human activities and the available services and amenities.

This state has demonstrated an unparalleled capacity to build and develop the economic resources needed to provide its citizens with a high standard of living. However, it is becoming increasingly obvious that a greater effort must be directed toward protecting and enhancing the natural resources and environment.

California has been working for many years to identify and solve its environmental problems. Its main emphasis has been in the areas of air pollution abatement, fish and wildlife protection, and water pollution prevention and control. In recent years, environmental protection has been expanded to include land use, waste management, noise control and water reclamation, to name a few.

Substantial progress has been made in several significant areas. When the rest of the country was just starting to take on the massive problems of environmental protection, California was setting the pace for effective controls of air and water pollution. California has the strongest controls in the nation. This was recognized last year when the federal government granted a request to require assembly line testing of every new car's smog control system before they can be sold in California.

The 1971 automobiles on California's highways have the most sophisticated smog control devices ever developed. They produce 85 percent fewer hydrocarbons than new cars of a few years ago. And this year the state instituted the first controls ever imposed anywhere on oxides of nitrogen.

The recently enacted Porter-Cologne Water Quality Control Act emphasizes a strict enforcement program. This act reflects an enlightened philosophy of environmental control. The law enables a higher level of water quality to be maintained by expanding the definition of the "beneficial uses" of the state's waters to include the preservation and enhancement of fish and wildlife and the aesthetic enjoyment of water.

The Clean Water Bond Law of 1970 provided \$250 million in state funds to assist local communities in the construction of very much needed wastewater treatment and disposal facilities. These new and improved facilities represent solid progress toward clean water for California. The total problem certainly will not be resolved but these facilities will go a long way toward its solution and in many instances the adverse impact on the aquatic environment will be drastically reduced.

California's continuing population growth has introduced increasing pressures and competing demands on California's natural, social and economic resources. Over the decades there has been a tendency to court such growth without calculating the costs, or preparing for the effects. Today, the cumulative impact of those many years of growth is bearing seriously on many aspects of California life—especially upon the environment. Therefore the Office of Planning and Research has been directed to continue its efforts in developing recommendation statements on environmental goals and policies.

### THE PROPER BALANCE

While the state's resources must be shepherded more effectively in the future if it is to improve the quality of life for all Californians, care must be taken to insure that perspective is maintained and that traditional freedoms are not subject to unnecessary restriction. A completely controlled economy, a totally planned and regimented environment, is as much of an anathema to the citizens of this state as a completely unregulated and chaotic society.

The purpose is to achieve a proper balance within the constitutional structure of government in a free society.

By developing appropriate statewide environmental goals and policies, local governments will have a definite framework within which they may develop more specific goals and policies to meet their immediate concerns and responsibilities.

## CRITERIA AND GUIDELINES FOR ENVIRONMENTAL EXPENDITURES

The environment is a highly complex system that requires the attention of a number of state agencies with special expertise in specific fields. While a number of major environmental programs are centralized in the State Resources Agency, the all-inclusive nature of the environment encompasses departmental programs in other state agencies as well.

For purposes of the budget, the term Environmental Expenditures means those expenditures for maintaining or improving the quality of our natural resources and aesthetic values lying therein. This includes land, air, water and the visual, aural, and olfactory senses derived therefrom.

The term environment encompasses more than the above because it means the surrounding conditions, influences or forces that influence or modify man's life. Thus, social and economic programs of the state could also be included within the broad context of the word.

Because of this diversity of programs and the relationship of programs, both within and outside of a specific unit of government, it is therefore necessary for program managers, department heads and agency secretaries to be in a position to review and relate the importance and dependence of one program to another. This review then will involve programs within a specific department as well as departmental programs within a specific agency.

To provide a complete overview of environmentally oriented programs, it is necessary for the agency secretaries and the State Department of Finance to review these same program relationships in light of stated environmental goals and policies and statewide objectives.

In addition to the criteria stated herein, it is essential that the source of funds to be utilized by a specific program and any constraints placed on that source of funds also be examined. For example, the relationship between programs funded wholly from the General Fund will differ from the relationship of programs

funded from Special Funds, the use of which is limited constitutionally or statutorily to specific areas. The programs obviously do not compete with one another for funding, but must be reviewed for compatibility and the relationship to meeting stated goals.

The criteria used by the various levels of review in determining which environmental programs will be

funded are:

A. The urgency of the problem to which the program is directed;

1. The magnitude of the current, or potential problem

2. The percentage of citizens affected by the problem

3. The amount and type of natural resources affected by the problem

4. The irreversibility of the damage to the environment, if action is not taken

B. Relevance of the problem to the state's goals and objectives;

C. The cause and effect relationship of the problem and related problems to the proposed program; and

D. The relationship between need for immediate action versus preventive type programs as they might

effect specific environmental concerns.

The information which follows was compiled in response to Assembly Concurrent Resolution No. 65 of 1970. Expenditures for environmental preservation and enhancement are shown by department, by year, and by environmental activity. Six environmental activity categories are detailed where applicable, including 1) land use, 2) water resources, 3) air resources, 4) solid waste management, 5) noise abatement, and 6) general. This format basically follows the precedent established last year by the Environmental Quality Study Council.

All expenditures are necessarily estimated because accounting systems are not currently set up to reflect this type of data. Source of funds is shown in each agency summary and in the statewide totals. All costs are shown in thousands of dollars.

#### AGRICULTURE AND SERVICES AGENCY

(All expenditures estimated and shown in thousands of dollars)

## DEPARTMENT OF AGRICULTURE

#### Air Resources

Conducts surveys to detect plant pests and conditions new to the state or area. Plant damage caused by air pollutants is measured and reported. Agricultural Code, Sections 401, 461, 5321.

	1970-71	1971-72	1972-73
Expenditures	 \$46	\$74	\$74

### Solid Waste Management

Regulates certain refuse disposal and distribution practices. Agricultural Code, Sections 16001–16154, 10901, 10990.

	1970-71	1971-72	1972-73
Expenditures	 \$58	\$58	<b>\$</b> 58

#### General

1. License each pesticide product and persons selling or applying agricultural pesticides for hire. Agricultural Code, Sections 11701-11705, 12101-12107, 12811.

	1970–71	1971–72	1972-73
Expenditures	 \$432	\$693	\$972

2. Compiles and evaluates data basic to designation of pesticides that are injurious materials or injurious herbicides requiring a permit from county agricultural commissioner before purchase and use. Agricultural Code, Sections 14001–14033.

	1970-71	1971-72	1972-73
Expenditures	 \$35	\$35	\$40

3. Collects samples of fruit, vegetables, feed, milk, and meat and analyzes them for pesticide residues to

#### AGRICULTURE AND SERVICES AGENCY—Continued

(All expenditures estimated and shown in thousands of dollars)

regulate quality and stop sale of lots with excess residue. Agricultural Code, Sections 12581-12801.

	1970-71	1971-72	1972-73
Expenditures	 \$546	\$577	\$547

4. Works with Water Resources Control Board and Departments of Public Health, Fish and Game, and the University of California in evaluating proposed uses of pesticides. Agricultural Code, Sections 12824, 14102-14103.

Grand Totals, Agriculture and Services Agency _	\$1,117	\$1,437	\$1,691
and dervices Agency _	φ1,111	фт, до 1	φ1,031

#### BUSINESS AND TRANSPORTATION AGENCY

#### DEPARTMENT OF AERONAUTICS

#### Noise Abatement

1. Assist the implementation and understanding of the new Noise Standards (Regulations) for California airports. This requires coordination with county governments, airport operators, aircraft and airline operators, and the FAA.

,	 1970-71	1971-72	1972-73
Expenditures	 \$32	\$12	\$6

2. As condition of site approval make determination that advantages to public of future airport sites outweigh disadvantages to environment. Public Utilities Code, Section 21666(e).

=======================================	1970-71	1971-72	1972-73
Expenditures	\$24	\$20	\$24

3. Review environmental impact of proposed airports where federal or state funding is involved. Public Resources Code, Sections 21101-21102.

Expenditures	1970–71	1971-72	19 <b>7</b> 2–73
	–	\$20	\$24
Totals, Department of Aeronautics	\$56	\$52	\$54

## HIGHWAY PATROL

#### Air Resources

1. Inspect motor vehicles for required air pollution control devices, including on-highway analysis of exhaust emissions. Vehicle Code, Section 2814.

	1970-71	1971-72	1972-73
Expenditures	 \$334	\$338	\$370

2. License and regulate official motor vehicle pollution control device installation and inspection stations. Vehicle Code, Sections 2500–2504, 2520–2523, 2540–2549, 12301–12304, 27153, 27153.5 and 27156–27158.

	1970-71	1971-72	1972-73
Expenditures	 \$282	\$370	\$388

## Solid Waste Management

Enforce against throwing lighted objects or litter from vehicles along highways. Vehicle Code, Sections 23111, 23112, 23115. Penal Code, Section 374b, Health and Safety Code, Sections 13001, 13002.

	1970-71	1971-72	1972-79
Expenditures	 \$10	\$10	\$10

## Noise Abatement

Excessive noise research and highway enforcement. Provide technical assistance to other agencies involved

in noise abatement.	Vehicle Code,	Sections	32130,
27150, 27151, 27160.	1970-71	1971-72	1972-73
Expenditures	\$291	\$336	\$364

#### General

Control of highway transportation of hazardous materials. Vehicle Code, Sections 2500–2504, 2530–2532, 2540–2549, 31600–31602, 31607–31620, and 34001–34004.

31001 31001.	1970-71	1971-72	1972-73
Expenditures	\$3	\$4	\$4
Totals, Highway Patrol	\$920	\$1,058	\$1,136

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

#### Land Use

The Department of Housing and Community Development is presently engaged in several programs which relate to judicious land use and which have both short and long term effects upon the protection of this aspect of the environment.

The development of a Statewide Housing Element, staff liaison with and assistance to the state Office of Planning and Research, technical assistance to local governments on redevelopment and community development activities, and the Operation Breakthrough program are particular efforts which have definite environmental impact implications, especially as they influence land use.

	1970-71	1971–72	1972-73
Expenditures	 \$100	\$135	<b>\$180</b>

## Solid Waste Management

The department has statutory authority relating to waste disposal under authority granted in the Health and Safety Code applicable to buildings subject to provisions of the State Housing Law, to buildings and installations within mobilehome parks, and also to buildings subject to provisions of the Employee Housing Act, Labor Code.

Expenditures	1970-71	1971-72	1972-73
	\$150	\$150	\$160
Totals, Department of Housing and Com- munity Development _	\$250	\$285	\$340

## DEPARTMENT OF MOTOR VEHICLES

#### Air Resources

In accordance with Vehicle Code statutory requirements [4000.1, 4000.2 and 24007(b)] and with the State Air Resources Board regulations, the depart-

#### BUSINESS AND TRANSPORTATION AGENCY-Continued

ment continues to require evidence of a smog control device in proper operating condition as a prerequisite to motor vehicle registration.

	1970-71	1971–72	1972-73
Expenditures	\$543	\$568	\$592

#### Solid Waste Management

Regulates the disposal of abandoned or wrecked motor vehicles. Vehicle Code, Sections 11500-11522, and 22650-22856.

#### General

The sale of personalized license plates to finance the California Environmental Protection Program continues as a high priority function. (Vehicle Code Sections 5100-5110). To date, the department has deposited in excess of \$700,000 in the Environmental Protection Fund through this program.

Expenditures	1970–71	1971-72	1972–73
	\$222	\$226	\$238
Totals, Department of Motor Vehicles	<b>\$7</b> 65	\$794	\$830

#### DEPARTMENT OF PUBLIC WORKS

#### Land Use

- 1. The Department of Public Works has been engaged in comprehensive regional transportation studies in 10 urban areas of California. Such cooperating agencies as Southern California Association of Governments, Associated Bay Area Governments, Sacramento Regional Area Planning Commission and the Comprehensive Planning Organization in San Diego are furnishing basic land use information for these studies.
- 2. Individual route and project considerations include socio-economic environmental studies, joint use, protection of scenic corridors, coastal zone, planting and roadside rests.

#### Water Resources

1. Highway design procedures and construction techniques to assure protection of water quality. Standard Special Provisions (since 1960) have provided that highway contractors must avoid working in flowing streams and causing siltation of rivers and streams.

A Memorandum of Understanding between the Department of Public Works and the Department of Fish and Game (March 10, 1961) specifies measures to be employed to preserve or enhance fish and wild-life resources during highway construction.

The capping of existing abandoned wells is required in connection with new highway construction to prevent contamination of water bearing strata. Coordinated investigations are done by the Department of Water Resources.

Fish and Game Code, Sections 1505, 1600, 1601, 1602, 5650, 12015; Water Code, Sections 13700-13806.

TATION AGENCY—Continued			
Expenditures	1970–71 \$90	1971–72 \$95	1972–73 \$100
2. Lake Tahoe Siltation of preventing erosion to			
Tahoe water.  Expenditures	1970–71 –	197 <b>1-72</b> \$55	1972–73 \$109
3. Development of rese ways on water quality.			
Expenditures	1970–71 \$2 <sub>.</sub>	1971–72 \$80	1972–73 \$86
Air Resources 1. Conducts studies of pollution. California High			
Expenditures		1971-72 \$240	1972-73 \$380
2. The following studies result of action of the C sion.  a. Evaluation of low expressions.	alifornia	Highway (	Commis-
used cars.  Expenditures	1970–71 \$100	\$20	\$20
b. Air pollution and f operation.	1970–71	1971–72	1972–73
e. Total air contaminar	\$40 ats from t	\$286 he vehicle	\$100
tion	1970–71		
Expenditures  3. Study of the impact	-	\$50	\$50
vironment.	1970-71		
Expenditures	_	\$100	\$120
Solid Waste Management  1. Litter control and liplus maintenance of road Streets and Highways Co Cost of litter control an	dside resta de, Sectio	s and vista ons 27 and	a points.
Expenditures	1970–71 \$5,157	1971-72 \$4,600	1972–73 \$4,800

2. Cost of maintenance	of roadsi	de rests a	and vista
points.	1970-71	1971–72	1972-73
Expenditures	\$1.138	\$1.300	\$1,420

3. Research on disposal on disposal of highway solid waste.

1970-71 1971-72 1972-73

Expenditures \_\_\_\_\_ \$5 \$25 \$22

4. Use of waste products to stabilize highway fills.

	1970-71	1971-72	1972-73
Expenditures	-	\$5	\$20

#### Noise Abatement

1. Noise study on the use of physical barriers built parallel to the freeway to separate surrounding community from traffic noise.

1970-71 1971-72 1972-73

Expenditures \_\_\_\_\_ - \$3 \$4

#### BUSINESS AND TRANSPORTATION AGENCY-Continued

2. Develop criteria related to traffic noise and the use of land in the vicinity of freeways. Authority to take measures to reduce freeway noise in schools. Streets and Highways Code, Sections 75.7 and 216. Health and Safety Code, Chapter 13.

	1970-71	1971-72	1972-73
Expenditures	-	-	\$50

- 3. Internal vehicle noise as affected by roadway surfaces.

  1970-71 1971-72 1972-73

  Expenditures \_\_\_\_\_ \$16 \$10
- 4. Determine feasibility of noise limits for truck and construction equipment.

	1970-71	1971-72	1972-73
Expenditures	_	\$57	\$96

5. Study of noise on Los Angeles Freeway—42-mile loop.

1970-71 1971-72 1972-73

Expenditures \_\_\_\_\_ - \$20 \$10

#### General

1. Study of bicycle trails. ACR 26.

	1970-71	1971-72	1972-73
Expenditures	 \$78	_ `	•

2. Community and Environmental Factors Units (CEFU) have been established in each highways district. California Administrative Code, Section 1451; Streets and Highways Code, Sections 210–214; Department of Transportation Act, Section 4(f); 1968 Federal Highway Act; 1969 Public Law 91-190 National Environmental Policy Act; 1970 Chapter 1433; Marler-Johnson Highway Park Act of 1969; Government Code, Sections 54220–54223; Streets and Highways Code, Sections 75.5, 104.5 and 135.3–135.7.

Expenditures	1970–71 \$4,938	1971 <b>-</b> 72 \$4,523	1972–73 \$5,425
Totals, Department of Public Works	\$12,075	\$11,475	\$12,822
GRAND TOTALS, BUSI- NESS AND TRANS- PORTATION AGENCY	\$14,066	\$13,664	\$15,182

## HUMAN RELATIONS AGENCY

#### DEPARTMENT OF PUBLIC HEALTH

#### Land Use

No specific statutory authority, but the department has a broad interest in land use and land use policies because of the strong significance they have to many determinants of health. Health and Safety Code, Sections 205-211, 2521, 18897-18897.7.

#### Water Resources

Departmental activities include:

- a. Assuring the safety, purity, wholesomeness, and potability of domestic water supplies. Health and Safety Code, Sections 200-211, 4001-4002, 4010-4055, 4450-4471; Water Code, Sections 13144-13165, 13411-13413; Revenue and Taxation Code, Section 17226.
- b. Prevent contamination of state's waters from sewage and other wastes. Health and Safety Code, Sections 200-211, 3050-3052, 4400-4461, 5410-5463; Water Code, Sections 13165, 13240, 13411-13413, 13540-13541.
- c. Establish standards for reclamation of waste water. Health and Safety Code, Sections 200-211; Water Code, Sections 13411-13413, 13520-13523.
- d. Assuring sanitation and safety of water recreational areas and public swimming pools. Health and Safety Code, Sections 200-211, 4050-4055, 4462-4471, 24100-24159.
- e. Assuring that shellfish do not cause poisoning or disease (as a result of conditions of water in which they grow). Health and Safety Code, Sections 200-211; Fish and Game Code, Sections 5670-5674.

	1970-71	1971-72	1972-73
Expenditures	 \$1,990	\$2,045	\$2,100

#### Air Resources

Departmental expenditures include:

a. Develops and recommends air quality standards

based on health. Health and Safety Code, Sections 200-211, 425, 39051, 39052.

- b. Conducts studies on health effects of air pollution. Health and Safety Code, Sections 200-211, 425, 39051-39052.
- c. Provides laboratory and other support to the Air Resources Board. Health and Safety Code, Sections 425, 39023, 39052; Revenue and Taxation Code, Section 24372.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$400 \$400 \$417

## Solid Waste Management

Investigates solid waste policies, practices, and programs in order to assess and evaluate health effects of such factors and to develop and recommend methods to achieve effective reduction of health hazards and environmental degradation.

Expenditures \_\_\_\_\_ \$48 \$73 \$80

## Noise Abatement

No specific statutory authority, but the department has several staff members expert in the field, who conduct noise studies and provide advice and assistance relative to community and occupational noise problems, in recognition that noise is a significant environmental factor. Health and Safety Code, Section 205-211, 429.11.

#### General

Departmental expenditures include:

a) Collects and interprets data on health effects of chemical agents in the environment; investigates and evaluates short- and long-term effects of pesticide exposure on human health; makes recommendations on pesticide exposure limits.

#### **HUMAN RELATIONS AGENCY—Continued**

b) Vector Control—Obtains effective control of environmental conditions and carriers of animal-borne disease. Health and Safety Code, Section 200-215, 1800-1813, 2425-2426; Agricultural Code, Section 6021.

Expenditures	1970–71	1971-72	1972-73
	\$1,005	\$1,140	\$1,140
GRAND TOTALS, HUMAN RELATIONS AGENCY	\$3,443	<b>\$3</b> ,658	\$3,737

#### RESOURCES AGENCY

#### Land Use

Chapter 988, Statutes of 1968, established the Secretary for Resources as a member of the California Tahoe Regional Planning Agency and the Bi-State Tahoe Regional Planning Agency. The purpose of these agencies is to provide the proper planning for the development of the Tahoe Basin while preserving the integrity of the lake itself. Since its establishment, either or both agencies have been funded through an appropriation in the budget of the Resources Agency.

•	1970-71	1971-72	1972-73
Expenditures	\$80	\$100	\$50

#### Water Resources

The Sccretary for Resources has been authorized by Governor Reagan to coordinate the State of California's comments on the following:

- a. All investigations of and reports on water development, flood control and related projects of the U.S. Department of the Interior.
- b. Reports on projects of the U.S. Army Corps of Engineers.
- c. Projects pertaining to the Federal Power Commission.
- d. Soil Conservation Projects (PL-566) of the U.S. Department of Agriculture.

These comments include the effect of the proposed project on the environment of the State of California.

#### Air Resources

- 1. The California Resources Agency was designated by Governor Reagan on March 12, 1969, as the state entity to coordinate the activities of all state agencies relative to thermal power plant siting. The Secretary for Resources has created a power plant siting committee to advise him on these matters and has delcgated this responsibility to that committee.
- 2. It should be noted that while air pollution is a major consideration, the committee studies the total environmental effect of any proposal.

## General

1. The Secretary for Resources is primarily responsible for ensuring the adequate and properly balanced management of government functions related to California's environment. Within the Resources Agency, governmental functions are being coordinated to assure that departmental programs which preserve and

enhance one resource do not lead to the deterioration of another resource.

1970-71 1971-72 1972-73 Expenditures \$195 \$213 \$252

- 2. California Environmental Protection Program Fund—Diversified programs are proposed which will help to preserve and protect California's environment including but not limited to:
  - a. Control of air pollution.
  - b. Protection of significant ecological areas.

c. Increased public awareness of the need to protect the environment.

Expenditures	1970–71	1971 <b>–</b> 72	1972-73
	\$413	\$654	\$2,224
Totals, Resources Agency	\$688	\$967	\$2,526

## AIR RESOURCES BOARD

#### Air Resources

1. Coordinates statewide air pollution control activities. Health and Safety Code, Section 39052.

	1970-71	1971-72	1972-73
Expenditures	 \$237	\$491	\$584

- 2. Determines the nature, cause, occurrence, and effects of air pollution. Health and Safety Code, Section 39052.
- a. Establishes air basins throughout the state and adopts air quality standards for these basins. Health and Safety Code, Section 39051.
- b. Makes an inventory of sources in each basin, reviews regulations of local control agencies, provides technical assistance to these agencies and enforces the air quality standards when local agencies fail to do so. Health and Safety Code, Sections 39051, 39052 and 39054.
- c. Monitors air pollutants and collects data. Health and Safety Code, Section 39052.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$2,237 \$3,014 \$3,288

3. Adopts motor vehicle emission standards and test procedures, approves emission control systems, and maintains surveillance of emissions from control systems. Health and Safety Code, Sections 39051 and 39052.

Expenditures \_\_\_\_\_ \$1,370 \$1,322 \$1,809

4. Conducts research on air pollution. Health and Safety Code, Section 39067.

Expenditures	1970–71	1971 <b>–</b> 72	1972–73
	\$506	\$3,600	\$3,250
Totals, Air Resources Board	\$4,350	\$8,427	\$8,931

## RESOURCES AGENCY—Continued

## BAY CONSERVATION AND DEVELOPMENT COMMISSION

#### Land Use

1. Has specific and limited jurisdiction over strip of land 100 feet inland from the shoreline of the bay to:

a. Require maximum feasible public access to the bay in all substantial new developments, and

b. To reserve certain areas for priority waterrelated uses such as ports, water-related industry, and water-related recreation to reduce need for future bay filling.

	1970-71	1971-72	1972-73
Expenditures	 \$216	\$259	\$268

#### Water Resources

Protects San Francisco Bay for present and future generations. Encourages development of the bay and its shoreline to their highest potential with a minimum of bay filling. Title 7.2, Government Code.

#### Air Resources

Bay Conservation and Development Commission studies and bay plan indicate the importance of the water surface of the bay in moderating the climate of the bay area and in helping to combat smog.

#### Solid Waste Management

Bay plan prohibits further use of bay simply as a dumping ground for wastes.

Totals, Bay Conservation and Development			
Commission	\$216	\$259	\$268

#### COLORADO RIVER BOARD

#### Water Resources

Maintains Colorado River salinity at or near present levels through development of a federal and interstate program of salinity control projects; works for the implementation of California's policy on Lower Colorado River water conservation matters and associated environmental aspects; and reviews plans for augmenting the natural waters of the Colorado River system. Part 5 of Division 6 of the Water Code.

Expenditures	1970-71	1971–72	19 <b>72-73</b>
	\$128	\$131	\$138
Totals, Colorado River Board	\$128	\$131	\$138

#### DEPARTMENT OF CONSERVATION

#### Land Use and Water Resources

The department's principal goals are the protection, conservation, and development of California's natural assets—its forests (both commercial timber and wildland), watersheds and rangelands, its mineral deposits, and its soil resources. Protection of life, property

and resource values from fire and geologic hazards is stressed.

The watershed and fire protection program is managed by the Division of Forestry and the Division of Resource Conservation. The program's objective is to protect the private and state-owned watershed lands from fire, insects, disease and misuse by man. The protection of forest, brush and grass wildlands from long-term damage and the achievement of a more intensive and better use of the land and water resources is basic to the continued economic and social utilization of these limited natural resources.

The geologic hazards and mineral resources conservation program is managed by the Division of Mines and Geology. The program objective is to conduct geological investigations to identify and provide timely delineation of geological hazards and to identify, delineate and assist in the ultimate utilization of deposits of mineral raw materials, both onshore and offshore, consistent with wise conservation practices.

The oil, gas, and geothermal protection program is managed by the Division of Oil and Gas. The program objective is to prevent waste or damage to the immediate environment and other natural resources, provide for greater ultimate recovery of oil, gas, and geothermal resources, and prevent contamination of fresh waters penetrated by wells.

Expenditures—land use	1970-71 \$38,703	1971 <b>-72</b> \$38,820	1972-73 \$38,417
Expenditures—water resources	\$19,420	\$19,437	\$19,300
Totals, Department of Conservation	\$58,123	\$58,25 <b>7</b>	\$57,717

#### DEPARTMENT OF FISH AND GAME

#### Land Use

1. The enforcement program assures that provisions of the Fish and Game Code are enforced within an accepted degree of compliance to insure that wildlife resources are managed for optimum sustained yield, utilization and enjoyment by all people appropriate to the general public welfare.

	1970-71	1971-72	1972-73
Expenditures	 \$3,282	\$3,258	\$3,385

2. The wildlife program is designed to perpetuate and conserve wildlife throughout the state and to maintain optimum breeding stock of our wildlife species. This program is also designed to obtain an optimum harvest of game species that have an open hunting season as well as to develop management programs for endangered and rare wildlife species.

	1970-71	1971-72	1972-73
Expenditures	 \$1,970	\$2,111	\$2,306

RESOURCES AGENCY-Continued

3. The environmental services program has responsibility for the review of land and water development projects that have a potential for affecting fish and wildlife. Water quality requirements are an intricate part of this review process. Recommendations resulting from these reviews are designed to protect and augment fish and wildlife resources and their habitat.

	1970-71	1971-72	1972-73
Expenditures	 \$457	\$514	\$501

#### Water Resources

1. The enforcement program assures that provisions of the Fish and Game Code are enforced within an accepted degree of compliance to insure that wildlife resources are managed for optimum sustained yield, utilization and enjoyment by all people appropriate to the general public welfare.

	1970-71	1971-72	1972-73
Expenditures	 \$3,282	\$3,258	\$3,385

2. The wildlife program is designed to perpetuate and conserve wildlife throughout the state and to maintain optimum breeding stock of our wildlife species. This program is also designed to obtain an optimum harvest of game species that have an open hunting season as well as to develop management programs for endangered and rare wildlife species.

	1970-71	1971-72	1972-73
Expenditures	 \$2,200	\$2,500	\$2,600

3. The inland fisheries program is designed to preserve and maintain wild and hatchery-reared freshwater fish throughout the state. It also provides for a continuous supply of broodstock. Through these means, anglers are provided diversified and satisfactory freshwater fishing opportunities.

	1970-71	1971-72	1972-73
Expenditures	 \$4,396	\$4,819	\$4,933

4. The anadromous fisheries program provides for the maintenance, restoration, and improvement of anadromous fish populations (salmon, steelhead, striped bass, shad and sturgeon). Other objectives of this program are to obtain an optimum harvest of these resources and provide for their scientific and educational use.

educational	usc.	1970-71	1971-72	1972-73
Expenditures		\$2,494	\$2,845	\$2,951

5. The marine resources program is designed to maintain all species of marine fish and wildlife. This program also provides for diversified recreational use and for an economic contribution of marine fish and wildlife. The scientific and educational use of this resource is also a part of this program.

	1970-71	1971-72	1972-73
Expenditures	 \$2,506	\$2,856	\$2,887

6. The environmental services program has responsibility for the review of land and water development projects that have a potential for affecting fish and wildlife. Water quality requirements are an intricate

part of this review process. Recommendations resulting from these reviews are designed to protect and augment fish and wildlife resources and their habitat.

Expenditures	1970-71	1971–72	1972-73
	\$1,065	\$1,200	\$1,168
Totals, Department of Fish and Game	\$21,652	\$23,361	\$24,116

## DEPARTMENT OF NAVIGATION AND OCEAN DEVELOPMENT

#### Land Use

- 1. Department of Navigation and Ocean Development (DNOD) under the policy direction of the Interagency Council for Ocean Resources is preparing the California Comprehensive Ocean Area Plan (COAP), which will be implemented by DNOD and various county and local governments. Government Code, Secton 8800.
- 2. The COAP will express state policy and criteria for land-use allocation in the coastal zone.

	1970-71	1971-72	1972-73
Expenditures	 \$186	\$151	\$121

3. The Department of Navigation and Ocean Development studies and reports upon problems of beach erosion and means for the stabilization of the shoreline and prepares plans for and constructs works necessary for the stabilization of beaches and shoreline areas. Additionally, the Department cooperates with federal and local governmental agencies in beach erosion control projects authorized by the Federal Government.

	1970–71	1971–72	1972-73
Expenditures	 \$963	<b>\$1,76</b> 8	\$911

#### Water Resources

- 1. The Department of Navigation and Ocean Development in its Boating Facilities Program:
- a. Makes grants to local governmental agencies for the construction of launching facilities on all suitable bodies of water.
- b. Plans, designs and constructs boating facilities throughout the State Park System and at State Water Project reservoirs.
- c. Finances on a loan basis the local share of joint Federal-State-local navigation projects.
- d. Loans funds to local governments for the construction of marinas.
- e. Plans, designs, and constructs, with or without Federal assistance, harbors of refuge if need and feasibility can be shown.
- f. Pursues a captal outlay program for the purpose of acquiring land and water areas for use by the boating public.
- g. Conducts a planning program to establish the present and prospective need for boating facilities in the state.

	1970-71	1971-72	1972-73
Expenditures	 \$4,226	\$12,823	\$7,428

RESOURCES AGENCY-Continued

Solid Waste Management

- 1. The Department of Navigation and Ocean Development requires waste disposal facilities in marinas constructed with state funds. State Administrative Code, Section 5700.
- 2. The Department of Navigation and Ocean Development is developing a uniform and equitable solution to the problem of waste disposal from vessels. Various methods of vessel waste disposal control are being explored and tested against water quality standards deemed appropriate by the Water Resources Control Board. Suitable alternatives will be evaluated and conclusions will be presented as draft legislation and administrative regulations.

Expenditures	1970 <b>–</b> 71	19 <b>71-72</b>	1972 <b>-73</b>
	–	\$29	\$34
Totals, Department of Navigation and Ocean Development	\$5,375	\$14,771	\$8,494

#### DEPARTMENT OF PARKS AND RECREATION

#### Land Use

- 1. The Department of Parks and Recreation, under policy direction of the State Park and Recreation Commission, is responsible for the acquisition, development, and operation of the State Park System; and the administration of grants for recreation to local government. The Department accomplishes its objectives through its three programs:
- a. The Management of the State Park System Program is managed primarily by the Operations Division and consists of elements of park operation, resource protection, and public information. The program's objective is to manage the State Park System for the benefit and enjoyment of over 45,000,000 annual visitors.
- b. The Development of the State Park System Program is managed primarily by the Design and Development Division and consists of elements of land acquisition, park design and construction, and interpretive and concessions development. The program's objective is to acquire and develop additional state park facilities to meet increasing public demand for recreational opportunities.
- c. The Assistance to Public and Private Recreational Agencies Program is managed by the Grants Administration Section of the Design and Development Division. The program's objectives are to meet statewide recreational deficiences by qualifying the State of California as a recipient of grants from the National Historic Preservation Act and the Federal Land and Water Conservation Fund; and to administer grants to local recreational agencies from these two funds as well as from the 1964 State Beach, Park, Recreational, and Historical Facilities Fund for the acquisition and development of recreational facilities throughout the state.

Expenditures	1970-71	1971-72	1972 <b>-</b> 73
	\$25,719	\$25,620	\$24,349
Totals, Department of Parks and Recreation	\$25,719	\$25,620	\$24,349

#### DEPARTMENT OF WATER RESOURCES

#### Land Use

1. Conducts studies of land use, land classification, and population distribution to determine present and future water requirements. Water Code, Section 225, 226, 12616.

<b>'</b>	1970-71	1971-72	1972-73
Expenditures	 \$548	\$601	\$632

- 2. Owns or controls about 130,000 acres of land as a part of water resources development projects. Water Code, Section 250 et seq.
- 3. Provides flood protection for millions of acres of land directly through state owned and operated projects and indirectly through financial reimbursement to local governments for land acquisition for federal flood control projects. Water Code, Section 12570 et

seq.	1970-71	1971-72	1972-73
Expenditures	\$6,800	\$7,400	\$7,600

- 4. Provides liaison between federal and local agencies in floodplain management. Water Code, Section 8300.1, 12604.
- 5. Administers the Cobey-Alquist Floodplain Management Act, to assure adoption of local zoning for floodplain management. Water Code, Section 8400 et seq.

or seq.	1970-71	1971-72	1972-73
Expenditures	\$32	<b>\$36</b>	\$104

#### Water Resources

1. Assures that water of suitable quality is available to meet the present and future water requirements of the state most effectively. Water Code, Section 10004, et seq.

- 2. Provides for development, utilization, and protection of quantity and quality of water resources through broad authority to investigate, plan, and implement physical works or management, techniques. Water Code, Section 229, 231, 12616 et seq., 13750-51, 13800.
- 3. Collects and maintains a data bank on quantity and quality of water resources, through about 230 stream sampling, 2,000 ground water sampling stations, and numerous waste water sources. Water Code, Section 226.

Occurr 220.			
	1970–71	1971-72	1972-73
Expenditures	\$565	\$568	\$565

4. Plans under broad authority for water resources development or management to control water quality, enhance fish and wildlife habitat, provide for recreational use. Water Code, Section 11900 et seq., 12581, 12582.

	1970 <b>–7</b> 1	1971-72	1972 <b>–73</b>
Expenditures	 \$238	\$500	\$500

#### RESOURCES AGENCY-Continued

5. Provides technical advice and information to State Water Quality Control Boards in fulfillment of their responsibilities. Water Code, Section 13225 (c).

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$190 \$250 \$225

6. Constructs and operates the State Water Project and provides financial assistance for construction of local projects as part of the State Water Facilities. Water Code, Section 12880 et seq., 12931 et seq.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$8,400 \$8,400 \$8,400

7. Plans for implementation of waste water reclamation and saline water conversion projects to relieve demands on the use of the State's water resources for water supply and waste disposal. Water Code, Section 230, 12984.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$337 \$668 \$748

8. Evaluate impact of water resources development or management action on all phases of the environment, and evaluate the impact of non-water-oriented projects or actions on the water phase of the environment. Chapter 1433, Statute of 1970.

#### Air Resourecs

Licenses and monitors weather modification act activities, such as artificial nucleation of air masses by ground emissions. Water Code, Sections 400–415.

Expenditures \_\_\_\_\_ \$50 \$67 \$8

#### Solid Waste Management

Departmental activities include:

- a) Conduct investigations regarding effects of waste disposal on ground water and surface water resources. Water Code, Section 229.
- b) Advises the state and regional water quality control boards on potential effects of proposed solid waste discharges on ground and surface waters, based upon soil characteristics of site under investigation. Water Code, Section 229, 12922.

Expenditures	1970–71	1971-72	1972–73
	\$102	\$150	\$100
Totals, Department of Water Resources	\$19,856	\$21,640	\$21,711

#### RECLAMATION BOARD

#### Land Use

1. Administers the Cobey-Alquist Flood Plain Management Act within the area of the board's jurisdiction. Water Code, Section 8400 through 8415.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$75 \$82 \$8-

2. Provides and preserves flood protection for lands within the Sacramento and San Joaquin River basins.

Water Code, Section 8526 and Sections 12648 through 12658.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$75 \$82 \$84

3. Owns about 20,000 acres of land in fee and about 183,000 acres in easement. Water Code, Section 8590.

#### Water Resources

Exerts control over any work or usage of streams in Central Valley, if such usage has an impact on flood control projects or plans. Water Code, Section 8700 through 8723.

Expenditures	1970–71	1971–72	1972-73
	\$75	\$83	\$85
Totals, Reclamation Board	\$225	\$247	\$253

#### STATE LANDS COMMISSION

#### Land Use

1. Administers and controls over 4½ million acres of public lands owned by the state, including school lands, tidelands, submerged lands, swamp and overflowed lands, and beds of navigable rivers and lakes. Such management involves the issuance of mineral leases (including oil and gas), surface leases, sales, salvage and other permits, and use planning. Reviews and acts on public problems such as beach erosion and access to tidelands. Public Resources Code, Section 6301, 6321.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$450 \$488 \$582

2. Inventories lands under its jurisdiction and identifies those of significant environmental uniqueness as required by Chapter 1555, Statutes of 1970. Reviews each lease application to determine that there is no significant environmental impact.

#### Water Resources

- 1. Aids in protecting water resources from contamination by reviewing the plans of proposed oil recovery installations prior to placement on state-owned submerged lands. Public Resources Code, Section 6301, 6826, 6828, and Division 3, Title 2, State Administrative Code, Section 2122.
- 2. Insures that Water Quality Control Board criteria are incorporated in leases. Public Resources Code, Section 6301.

## Air Resources

Has power to limit air pollution in leasing lands. Public Resources Code, Section 6301.

#### Solid Waste Management

No specific statutory authority, but the commission issues pipeline easements for sewer outfalls, etc., as

RESOURCES AGENCY-Continued

part of its land management function. Public Resources Code, Section 6301

#### Noise Abatement

Has power to prevent noisy operations when issuing leases. Public Resources Code, Section 6301, 6873.2; Administrative Code, Section 2122.

Totals, State Lands			
Commission	\$450	\$488	\$582

#### STATE WATER RESOURCES CONTROL BOARD

#### Water Resources

1. Formulates and adopts water quality control policies that will serve as guidelines for water quality management state-wide. Sections 13140 through 13147 of the Water Code.

or the water	Code.	1970-71	1971-72	1972-73
Expenditures		\$230	\$346	\$360

2. Informs the waste discharger what must be done to prevent water pollution, provides basis for enforcement action and carry out necessary actions to obtain compliance with waste discharge requirements. Sections 13263, 13267, and 13301 of the Water Code.

	1970-71	1971-72	1972-73
Expenditures	\$1,629	\$1,692	\$2,402

3. Insures federally licensed projects or facilities requiring federal permits are constructed and operated to conform with all applicable water quality standards. Insures private treatment facilities granted tax relief incentives are designed, constructed and operated to achieve compliance with water quality standards. Section 13160 of the Water Code; Section 21(b) of the Federal Water Pollution Control Act and Section 704 of P.L. 91-172, Tax Reform Act of 1969.

	,			
	1970-71	1971-72	1972-73	
Expenditures	_	\$182	\$214	

4. Administers loans and grants for construction of water quality treatment facilities and coordinates planning grants. This program will include in the next five years approximately \$550,000,000 federal funds, \$250,000,000 state funds through the Clean Water Bond Law of 1970. Section 13600 and Chapter 13 of the Water Code.

	1970-71	1971-72	1972-73
Expenditures	\$700	\$63,107	\$95,920

5. Evaluates new water quality problems, specialized techniques and concepts in water quality control; defines and develops solutions to water quality problems in the state; makes other technical evaluations; establishes and conducts waste treatment plant operator training courses. Section 13301.1 and 13636 of the Water Code.

the water Code.			
	1970-71	1971-72	1972-73
Expenditures	\$167	\$389	\$402

6. In the long-range water quality control planning and research activities:

a. Develops comprehensive long-range plans for the management of the quality and related quantity of the state's ground and surface waters at the basin and regional or metropolitan level.

b. Conducts and coordinates water quality-water pollution research investigations that are directed towards accumulation of information for rational policymaking and decisions.

Sections 13140, 13142 and 13164 of the Water Code.

	1970-71	1971-72	1972-73
	13/0-/1	13/1-/2	19/2-/3
Expenditures _	 \$585	\$3,992	\$3,504

7. Provides the data and information needed for effective and rational water quality control, pollution control, and water resource management, and to coordinate water quality investigations to eliminate duplication and overlap and to select projects on the basis of priority needs. Sections 13161, 13162, 13163 and 13165 of the Water Code.

	1970-71	1971-72	1972-73
Expenditures	 \$426	\$958	\$1,675

8. Develops and implements an automated data management storage and retrieval system adaptable to statewide ground and surface water quality data, and develops statewide comprehensive monitoring programs for inland waters, marine waters and wastewater discharges in order to generate appropriate and pertinent data related to water quality inventory, monitoring, enforcement, planning and management. Section 13166 of the Water Code.

	1970-71	1971-72	1972-73
Expenditures	 \$84	\$194	\$237

9. Conducts investigations and studies relating to specialized or regional water quality problems. Authority is usually special legislation or legislative direction.

10. Controls the appropriative rights of water in the surface streams and other surface bodies of water in and bordering the state and in subterranean streams in definite channels to obtain the greatest beneficial use of waters of the state and to prevent waste or unreasonable use of water. Authority is Parts 2, 3, 5, 5.1, Sections 1005.1, 1005.2, 1051, 1051.5, 1052, 1060 and jointly with the Department of Water Resources, Sections 1053 through 1059 of Part 1 of Division 2, and Sections 10504 through 10507 of Part 2 of Division 6 of the Water Code and Subchapters 2, 3 and 4 of Chapter 2.1 of the California Administrative Code.

150140110 00	<b>u</b> c.	1970-71	1971-72	1972-73
Expenditures		\$722	\$851	\$872

11. Provides leadership, guidance, legal counsel, public education and coordination to most effectively administer the programs of the state board and nine regional boards to insure the greatest water rights and water quality benefits to the people of the state. Authority is in Divisions 1, 2 and 7 of the Water Code and other references.

Expenditures		1970-71 \$849	1971-72 \$935	1972-73 \$951
Totals, State Resources	Water Control Board	\$5,577	\$72,865	\$106,691
GRAND TOT	ALS, ES AGENCY	\$142,359	\$227,033	\$255,776

#### INDEPENDENT STATE AGENCIES

#### DEPARTMENT OF EDUCATION

General

1. Conservation Education Program:

a. Provides coordination with Citizen Advisory Committee on Conservation Education.

b. Works with school districts, county offices, and other educational units in developing and implementing conservation education.

c. Works with other public agencies, citizens' groups, and private industry to secure their support and cooperation for conservation education programs and activities.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$46 \$40 \$45

2. Regional Conservation Education Project:

a. Assists participating state educational agencies (12 western states) to evaluate progress made in conservation education.

b. Improves effectiveness of conservation education programs through interstate cooperation and coordination with the U.S. Office of Education.

Expenditures	197 <b>0-</b> 71	1971-72	1972-73
	-	\$150	-
Totals, Department of Education	\$46	\$190	\$45

#### OFFICE OF ATTORNEY GENERAL

Land Use

1. As attorney for the people, the office is involved in the public's right to access to particular public areas. (Common Law Powers)

2. Title litigation involving lands of various bays and collection of evidence of environmental consequences regarding bay fill is under way. Government Code, Section 12500 et seq.

## Water Resources

1. Counsel to state agencies on water matters. (In particular State Water Resources Control Board, regional boards and Department of Public Health.) Government Code, Section 12500 et seq.

2. As attorney for the people of the State of California, may take actions regarding the people's rights and interests which relate to the environment. (Common Law Powers)

#### Air Resources

1. Counsel to state agencies on air resources matters. (In particular, Department of Public Health and Air Resources Board.) Government Code, Section 12500 et seq.

2. See 2 under Water Resources.

#### Noise Abatement

Enjoin conditions of noise constituting a public

nuisance. (Common Law Powers and recently enacted legislation).

#### General

As attorney for the people of the State of California, the Attorney General under his common law powers and under recently enacted legislation may maintain actions in the courts and in local and state administrative bodies to protect the peoples' rights and interests in all aspects of the environment.

Expenditures	197 <b>0-</b> 71	1971 <b>-</b> 72	1972-73
	-	\$159	\$167
Totals, Office of Attorney General	_	\$159	\$167

## PUBLIC UTILITIES COMMISSION

Land Use

1. Commission supervises construction of existing and new highway-railroad grade crossings permitting new land uses. Public Utilities Code, Section 1201 et seq.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$60 \$60 \$60

2. Asserts jurisdiction of electric plant sites, electric power line routes and gas transmission systems and issues certificates of public convenience and necessity for new water, gas, electric and communications utilities. Public Utilities Code, Section 762.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$5 \$5 \$5

3. Grants or denies certificates for air, highway, or other transportation services.

 Expenditures
 1970-71
 1971-72
 1972-73

 \$13
 \$13
 \$13

4. Orders conversion of overhead electric and communications utility lines to underground. Public Utilities Code, Section 768.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$15 \$15

5. Issues rules governing installation of undergrounding electric and communication lines and facilities.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$11 \$11 \$11

## Water Resources

1. Commission has jurisdiction to require: construction, maintenance and operation of any plant or system of water, gas, electric communication public utilities and transportation companies in such a manner as to promote the health and safety of employees, customers and the public. Public Utilities Code, Section 701, 768.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$22 \$22 \$22

#### INDEPENDENT STATE AGENCIES-Continued

2. Grants or denies certificates of public convenience and necessity for new water systems and may condition such certificates to promote environmental quality. Public Utilities Code, Section 768.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$8 \$8 \$8

3. Issues general orders governing safety, service construction, operation and maintenance of gas, electric, water and communication systems. Public Utilities Code, Section 768.

1970-71 1971-72 1972-73
Expenditures \_\_\_\_\_ \$12 \$12 \$12

4. Orders extension rules for gas, electric, water and communications systems.

#### Air Resources

1. Commission has taken an active role before the Federal Power Commission to assure adequate quantities of natural gas to improve air quality.

Expenditures \_\_\_\_\_ \$13 \$13 \$13

2. Commission has recognized the additional expenses of low sulphur fuel oil supplies for electric power generation to reduce air pollution. Asserts jurisdiction over electric plant sites, electric power line routings and gas transmission systems.

1970–71 1971–72 1972–73 Expenditures \_\_\_\_\_ \$9 \$9 \$9

#### Noise Abatement

Takes corrective action on noise emission by railroad operations and bus lines. Public Utilities Code, Section 768.

Time and diament	1970-71	1971-72	1972-73
Expenditures	\$3	\$3	<del>\$3</del>
Totals, Public Utilities Commission	\$171	\$171	\$171

### UNIVERSITY OF CALIFORNIA

#### Land Use

- 1. Collects information on soil and vegetation types; develops soil and plant-climate maps; maintains ecologically undisturbed areas in U.C. Natural Land and Water Reserves System.
- 2. Conducts problem-solving research on: Land-use planning; park planning and management; recreational and wildlands conservation, development, and management; environmental horticulture, landscaping and design; watershed management; land resources evaluation; agricultural production practices in relation to land resources; environmental toxicology and pesticide residues; ecology and geology of land areas—alpine, forest, desert and other wildlands, coastline, etc.
- 3. Extends the information derived from research through a public education program that includes advice and counsel to local governmental officials.
- 4. Makes recommendations on pest control to protect public health and environment; provides information (pesticide residue data, etc.) on which environmental quality standards can be based.

- Trains specialists in disciplines related to above activities.
- 6. Studies on earth sciences delving into the geological, geophysical and seismological properties of the earth's structure to engender more knowledge on land imbalance and earthquake hazards.

Expenditures \_\_\_\_\_ \$1970-71 1971-72 1972-73 \$2,200 \$2,000 \$2,000

#### Water Resources

1. Collects information on environmental aspects of water resources, such as quality of ground water.

- 2. Conducts problem-solving research on: Water quality factors such as organic wastes, salts, nitrates, pesticides, and trace elements in surface and ground waters; eutrophication; drainage; waste water and sewage treatment; aquatic life in relation to pollution and other environmental changes; watershed management; estuarine and marine pollution problems; marine resources and oceanography; sea water and brackish water demineralization; public health aspects of water supply, urban amenities involving water.
- 3. Extends the information derived from research through a public education program that includes advice and counsel to local governmental officials.

4. Provides data and expertise to Water Resources Board and other regulatory agencies.

5. Trains specialists in disciplines relating to the above activities.

1970-71 1971-72 1972-73 Expenditures \$4,400 \$4,200 \$4,200

## Air Resources

1. Collects information on environmental aspects of air resources.

2. Conducts problem-solving research on:

Auto engine development; effects of smog on human and animal health, and plants; models simulating atmospheric pollution and its effects; power generating; industrial and agricultural sources; instrumentation development, effects of air pollution on solar radiation and other aspects of the environment; microclimates, inversion layers and other meteorological aspects of air pollution; phychological, sociological, legal, economic and political aspects of air pollution.

3. Extends the information derived from research through a public education program that includes advice and counsel to local governmental officials.

4. Provides data to Air Resources Board and other regulatory agencies on which quality standards can be based.

5. Trains specialists in disciplines relating to above activities.

6. Studies in atmospheric and space sciences which relate to the interaction between earth, atmosphere and space.

1970-71 1971-72 1972-73 Expenditures \_\_\_\_\_ \$460 \$425 \$425

### Solid Waste Management

1. Conducts problem-solving research on:

Waste disposal and management; incineration of industrial and urban solid wastes; management and

#### INDEPENDENT STATE AGENCIES-Continued

disposal of agricultural solid wastes; new waste disposal processes.

- 2. Trains specialists in disciplines related to above activities.
- 3. Extends the information derived from research through a public education program that includes advice and counsel to local governmental officials.

	19 <b>70-71</b>	1971-72	1972-73
Expenditures	 \$1,200	\$1,120	\$1,120

#### Noise Abatement

Conducts problem-solving research on certain aspects of noise abatement.

#### General

The Legislature has found and declared that the University of California is the primary state-supported academic agency for research. Education Code, Section 22550.

Totals, University of			
California	\$8,260	\$7,745	\$7,745

#### **GOVERNOR'S OFFICE**

#### Office of Planning and Research

#### General

The Office serves the Governor and his cabinet as staff for long-range planning and research. In this capacity the Office has been directed to:

- 1. Assist in the formulation, evaluation and updating of long-range goals and policies for land use, population growth and distribution, urban expansion, open space, resources preservation and utilization, and other factors which shape statewide development patterns and significantly influence the quality of the state's environment.
- 2. Assist in the orderly preparation by appropriate state departments and agencies of intermediate and short-range functional plans to guide programs of transportation, water development, open space, recreation and other functions which relate to the protection and enhancement of the state's environment.
- 3. Regularly evaluate plans and programs of departments and agencies of state government, identify conflicts or omissions, and recommend new state policies, programs and actions required to resolve conflicts, advance statewide environmental goals and to

respond to emerging environmental problems and opportunities.

4. Assist the Department of Finance in preparing, as part of the annual state budget, an integrated program of priority actions to implement state functional plans and to achieve statewide environmental goals and objectives and take other actions to assure that the program budget, submitted annually to the Legislature, contains information reporting the achievement of state goals and objectives by departments and agencies of state government.

5. Coordinate the development and operation of a statewide environmental monitoring system to assess the implications of growth and development trends on the environment and to identify at an early time, potential threats to public health, natural resources and environmental quality.

6. Coordinate, in conjunction with appropriate state, regional, and local agencies, the development of objectives, criteria and procedures for the orderly evaluation and report of the impact of public and private actions on the environmental quality of the state.

7. Coordinate research activities of state government directed to the growth and development of the state and the preservation of environmental quality.

- 8. Assist the Governor in the preparation of environmental goals and policy reports which shall include:
- a. An overview, looking 20 to 30 years ahead, of state growth and development and a statement of approved state environmental goals and objectives, including those directed to land use, population growth and distribution, urban expansion and the conservation of natural resources.
- b. Description of new and revised state policies, programs and other actions of the Executive and Legislative branches required to implement statewide environmental goals, including intermediate-range plans and actions directed to natural resources, human resources and transportation. Government Code 65025 et seq.

	1970-71	1971-72	1972-73
Expenditures	\$103	\$178	\$169
Totals, Governor's Office	\$103	\$178	\$169
GRAND TOTALS, INDE- PENDENT STATE AGENCIES	\$8,580	\$8,443	\$8,297

(ALL EXPENDITURES ARE ESTIMATED AND ARE SHOWN IN THOUSANDS OF DOLLARS) **Environmental Protection and Enhancement** 

	_	Land Uee		Wale	Waler Resources	893	¥	Air Resources		olld Was	Solid Waste Management	ement	Nolee	Noiee Abatement	_	9	General			Total	
	1970-71 1971-72 1	971-72 1	972-73 1	1 17-078	971-72 1	972-73 18	31 12-026	971-72 19	72-73 18	70-71	71-72 19	72-73 19	70-71	972-73 1970-71 1971-72 1972-73 1970-71 1971-72 1972-73 1970-71 1971-72 1972-73 1970-71 1971-72 1972-73 1970-71	2-73 197	70-71 19;	71-72 19	72-73 18	70-71	C4	1972-73
Totals, Agriculture and Services Agency General Fund Federal Junds	1 1 1	F   F   F	1 1 1	1 1 1	1-1-1	1 1 1	\$48 31 15	\$74 31 43	\$74 31 43	\$58 68	558 68	\$58 68	111	1 1 1	1 1 1	\$1,013 1,013	\$1,305 1,306	\$1,559 1,669	\$1,117	\$1,437 1,894 48	\$1,691 1,648 45
Totals, Business and Transportation Agency.  General Funds Special Funds Federal Junds	\$100 100	\$135 20  116	\$180 66 - 116	\$92 - 47 46	\$230 - 182 48	\$295 - 845 50	1,828	1,972	2,020	8,460 160 6,310	8,090 150 6,936 4	8,432 160 6,256	\$347	\$484 - 441 43	\$588 - 516 72	5,241 4,009 1,232	4,753 8,525 1,228	5,667	14,066 250 12,519 1,297	13,664 170 11,913 1,681	15,182 226 10,024 4,933
Totals, Human Relations Agency. General Pund. Special funds. Rederal funds. Reimbursements.	11111	1 1 1 1 1	1 1 1 1 1	1,990 1,680 - 895 116	2,045 1,586 - 296 166	2,100 1,635 - 300 165	400 43 6 66 66 8	400 37 8 78 285	417 89 6 72 800	84.88   1   1	73	808	1111	1111		1,005 790 160 65	1,140 860 - 156 126	1,140 920 - 166 65	3,443 2,467 6 500 470	3,858 2,656 6 622 675	3,737 2,674 6 527 530
Totals, Resources Agency.  Great Fund. Special Juds. Redeal Junds. Reimbursements.	79,558 68,429 9,630 1,322 10,175	81,290 58,819 7,798 2,436 12,237	79,394 68,781 6,943 1,671 18,069	22,845 26,998 2,060 5,800	24,108 24,108 102,996 2,798 6,301	184,754 84,188 131,026 3,592 6,148	4,400 60 3,482 868	8,494 67 7,605 888	9,018 167 7,971 -	102	971 971 - -	134 184 - -	* 1 1 1 1	1 1 1 1 1	1111	608 195 413	867 213 654 -	2,478 1	42,359 2 81,621 40,523 1 4,240 16,976	227,033 2 83,386 119,053 1 6,056 18,538	255,778 78,462 147,164 5,943 24,207
Totals, Independent State Agencies General Fund Special funds	2,304	2,104 2,044 60	2,104 2,044 60	4,442	4,242	4,242	482	447	447	1,200	1,120	1,120	<i>∞ &amp; 1</i>	(2) to (2)	co, ¢o. ∣	149	527	381	8,580 8,520 60	8,443 8,383 60	8,297 8,237 60
Totals, All State Agencies. General Fund. Special Junds. Federal funds. Reinbursements.	81,960 60,773 9,690 1,322 10,175	83,529 60,883 7,858 2,551 12,237	81,678 65,830 6,003 1,786 18,069	84,217 1 28,867 27,045 1 2,390 5,915	142,720 1 29,935 103,178 1 3,141 6,466	171,391 80,065 131,271 8,748 6,313	612 612 5,294 968 890	11,387 1 682 9,440 1,080	11,978 684 9,947 1,045 800	7,868 1,668 6,310	7,520 1,580 5,986 4	7,824 1,552 6,256 16	350 8 847	487 9 441 43	591 8 8 18 7.8	8,018 2,147 4,482 1,382 65	8,592 1 2,905 4,179 1,883	11,223 16 3,112 3 8,261 4 4,786	169,565 2 93,960 63,108 1 6,052 16,445	254,235 2 96,888 131,032 1 8,202 19,113	284,683 91,246 167,254 11,446 24,737

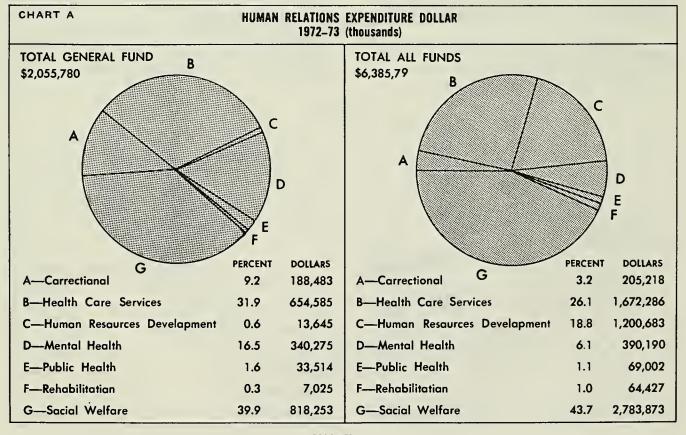




## Human Relations

The Human Relations Agency encompasses the correctional, manpower/welfare and health program areas of state government. The agency includes eight departments and four offices. These organizational units will have an overall program expenditure in Fiscal Year 1972–73 which exceeds \$6.3 billion (see Chart A). Continued emphasis will be placed on the community and private sector approach toward fulfilling the program goals of the Human Relations Agency.

Over 70 percent of the program expenditures of the Agency are dedicated to providing local assistance (see Charts B and C). (Totals in Charts A, B and C exclude "other reimbursements".



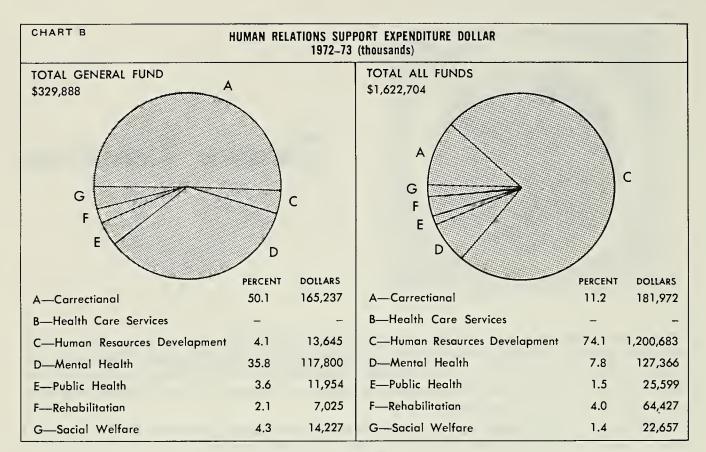
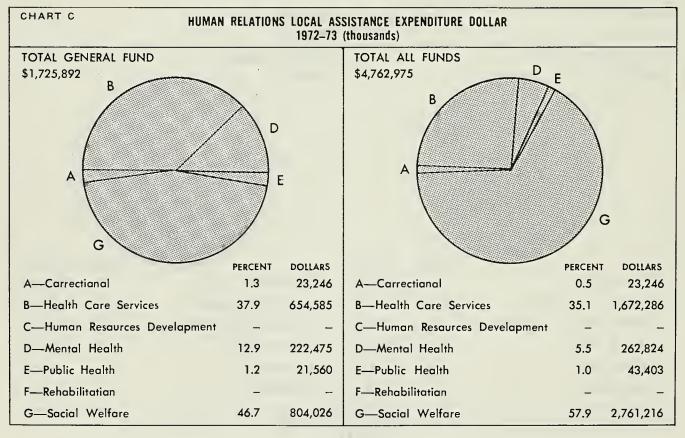


CHART B



#### CORRECTIONAL PROGRAMS

These programs are performed primarily through the Department of Corrections and the Department of the Youth Authority.

## Department of Corrections

The downward trend in institution population that began last year is expected to continue through 1972–73. Accompanying chart excludes female felons and narcotic addicts). The average daily population for the budget year is projected to be 21,095 as compared to an actual of 25,058 in 1970–71. With this reduced population, several program changes become necessary for continued effective and efficient operation of the department.

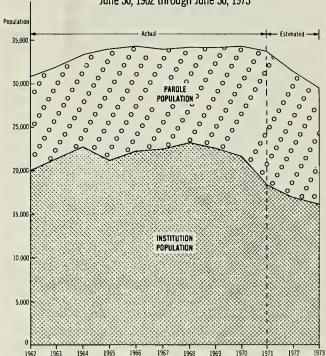
Concurrent with this reduction in institution population is an increase in parole population. Parole agents with supporting staff and services must be available to supervise this increase of nearly 1,500 parolees (from an average of 18,969 in 1970–71 to 20,463 expected in 1972–73). This growth has largely been due to earlier release to parole by the releasing authorities. A strengthened parole program through additional psychiatric care in the communities and institution efforts in preparing inmates for return to society are factors that permit the earlier releases.

A distinct benefit of the lower institution populations is the full implementation of the goal of housing only one inmate in each cell. Not only will the potential of interpersonal conflict between inmates forced to live together in small quarters be reduced, but the potential for larger disturbances resulting from overcrowding will be lessened by this reduced population.

In addition to housing one inmate per cell, the department will be able to close major housing units due to the diminishing population resulting in the deactivation of 1,538 beds. Locations will be selected on the

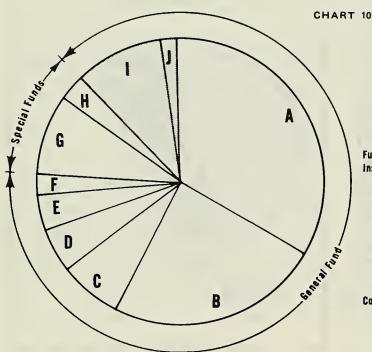
## MALE FELON POPULATIONS INSTITUTION AND PAROLE

June 30, 1962 through June 30, 1973



basis of the condition of structures and proximity to community based services, consistent with the security needs of the inmate populations. Other facilities will be able to absorb these populations without overcrowding.

Reduced populations do not in themselves mean greater freedom from the most serious problem facing



## THE CORRECTIONAL DOLLAR

Percent Expenditures (Gross)

Function	Expenditures (Millions)	Percent
Institution Operations:		
A. Security	45.4	33.9
B. Inmate Support	30.6	22.9
C. Behavioral Modification -	10.3	7.7
D. Inmate Employment	4.8	3.6
E. Education and Training	5.7	4.3
F. Reception and Release		2.1
G. Industrial Operations -		9.7
H. Inmate Welfare Benefits	3.1	2.3
Community Operations:		
I. Parole Supervision	15.0	11.2
J. Community Services —		2.3

the institutions—violence directed toward inmates and staff. Such incidents appear to be nationwide in scope and the Department of Corrections in California has not been excepted from this current trend. A possible remedy may be small, more manageable facilities which is now under study. This would require additional capital outlay and time to implement. The addition of more security staff is an immediate alternative at the more vulnerable locations in the system. The department is thus adding 405 positions for the purpose of controlling violence by the militant, acting-out segment of the inmate population. Included in the 405 new positions, are 88.6 psychiatric treatment positions.

Dollar expenditures by the department reflect the foregoing changes in 1972–73. Security costs and parole and community services, are slightly higher than the previous years. The expenditures for the various departmental functions are shown in the above chart.

## Department of the Youth Authority

Population in the Youth Authority institutions is projected for a slight decrease in 1972–73. A slight increase is projected for parole population. The Probation Subsidy Program will be increased by approximately \$2.5 million to a level of \$18,931,300 in the budget year. This local assistance program, which emphasizes local supervision and treatment of offenders on probation, is one of the reasons for the decline in the commitment rates of offenders to the Department of the Youth Authority and the Department of Corrections.

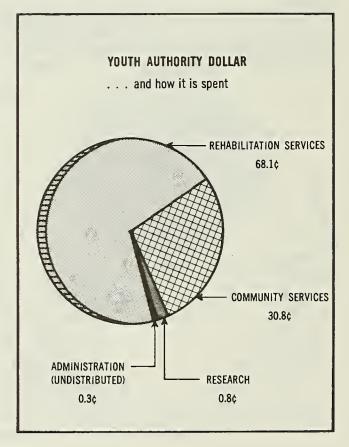
INSTITUTIONAL AND PAROLE **POPULATION** BY TYPE OF CUSTODY TOTAL ALL WARDS == ESTIMATEO ( ON PAROLE CYA INSTITUTIONS INCOME COC INSTITUTIONS TIPIPIN Thousands 22 20 18 16 14 12 10 8 6 4 2 63 64 65 66 67 68 69 70 Population as of June 30, each year

The result of the drop in commitment rates to the department is a decrease in the requirement for bed capacity in existing facilities. This decline, coupled with the implementation of the Increased Parole Effectiveness Program (IPEP), has enabled the department to close Fricot Ranch School during the 1970–71 fiscal year and to continue the phasing out of Paso Robles School which will be closed in the 1972–73 fiscal year.

The department has nearly accomplished the policy of removing its youthful offenders from Department of Corrections facilities. During 1972–73, there will be an average of approximately 58 Youth Authority wards in Correction's facilities. All juvenile court commitments have been transferred from Department of Corrections facilities to Youth Authority institutions.

The department has transferred 350 wards from Preston School of Industry to the heretofore unused DeWitt Nelson Training Center in order to better program for both the increasing numbers of older, more mature and criminally sophisticated youth and the growing proportion of the department's population that is made up of acute control problems and cases needing specialized intensive treatment programs. This shift of population reduced the Preston population to approximately 400. Total cost of the programs at these two institutions is within the funds previously budgeted for Preston School of Industry. These changes are in line with the departmental objectives of maximizing capacity for differential care, treatment and custody.

As shown in the following chart, approximately two-thirds of the Youth Authority expenditure dollar



provides rehabilitative services and security for wards committed to the department. Approximately one-third of the remaining Youth Authority expenditure dollar provides supportive services, primarily financial assistance to local jurisdictions for such programs as Special Probation Supervision, County Camps, Ranches and Homes, and Delinquency Prevention projects. The budget also includes additional staff for improved security.

#### MANPOWER/WELFARE PROGRAMS

These programs are performed primarily through the Department of Social Welfare, the Department of Rehabilitation, the Department of Human Resources Development and the Cal Job Executive Law Board.

## Department of Social Welfare

During the latter part of fiscal year 1970-71, the Department began implementation of the "Governor's Welfare Reform Plan of March 1971". Many of the provisions of this plan were incorporated into SB 796, the Welfare Reform Act of 1971. In 1971-72, efforts in conformance with these authorizations have been concentrated in the following areas: limiting eligibility to those truly in need, increasing aid payments to those with no other resources, reducing payments to those with significant supplemental income, reinforcing the financial responsibilities of parents for their minor children and of adult children for their aged parents, requiring the able-bodied members of welfare families to work or train for work, and reorganizing the Department in order to obtain more effective management of the welfare programs.

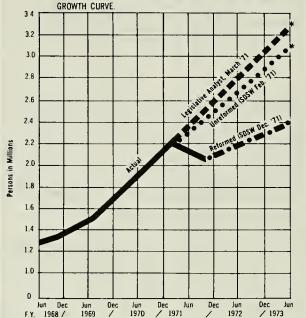
During fiscal year 1971-72, the implementation of the Welfare Reform Act of 1971 has caused the growth rate of the welfare caseload to drop significantly. For eight consecutive months, the caseload actually decreased. It is anticipated that the caseload will not continue to decrease, but that the growth rate will be significantly less than that experienced prior to welfare reform.

Payments to recipients, social services for the needy, and welfare administration will require \$818.3 million from state funds during 1972-73, an increase of \$58.9 million from comparable expenditures in the current fiscal year. Fiscal requirements for 1972-73 will increase primarily because of a shift of \$49.4 million in county cost to the state as a result of the provision in the Welfare Reform Act of 1971 which requires the state to pay 50 percent of the nonfederal share of county administrative costs associated with eligibility and grant determination.

Reform efforts in 1972-73 will focus on increasing the state's control of the administration of welfare payments by means of performance contracts with the counties, encouraging the use of private agencies by the counties for the provision of social services, and improving the ability to monitor and evaluate the welfare programs by installation of a statewide welfare management information system.

## IMPACT OF WELFARE REFORM ACTUAL AND ESTIMATED CASELOAD

LEGISLATIVE ANALYST'S ESTIMATE OF MARCH, 1971 AND SDSW'S ESTIMATE OF FEBRUARY, 1971 WERE ONLY FOR F.Y. 71–72, F.Y. 72–73 PROJECTIONS ON THIS CHART ARE STRAIGHT LINE PROJECTIONS AND ARE CONSERVATIVE SINCE PREVIOUS EXPERIENCE SHOWED AN INCREASING

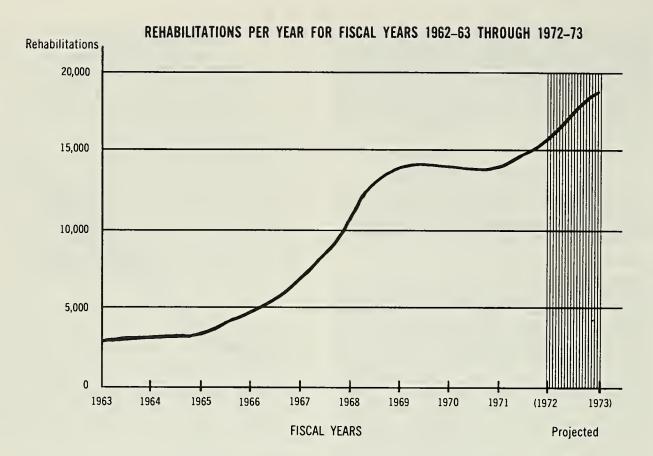


## Department of Rehabilitation

Over 18,000 disabled persons are expected to be rehabilitated in 1972–73. The budget for the Department of Rehabilitation will expand as a result of availability of federal funds. In addition to the traditional \$4 to \$1 federal/state money match, \$3,948,968 is included on a \$9 to \$1 match basis to be used for rehabilitation of disabled welfare recipients. Funds from other departments will be consolidated in the Department of Rehabilitation to take advantage of available Federal Rehabilitation Funds. When fully implemented, the program will rehabilitate 2,550 disabled welfare recipients per year.

Other program expansion include services to OASDI recipients, alcoholics, and disability determination. \$1,500,000 will be made available from the Social Security Trust Fund to serve 600 OASDI recipients with no General Funds involved. The primary focus will be to treat individuals in the community and reduce the number of commitments to state mental hospitals. The Disability Determination Program will expand \$2,481,523 in 1972–73 in order to handle an expected increased workload of applicants for OASDI benefits. The increase is 100 percent federally funded.

The effect of the department's concentrated effort to apply all available resources toward the rehabilitation of the disabled is dramatically shown on the following page.



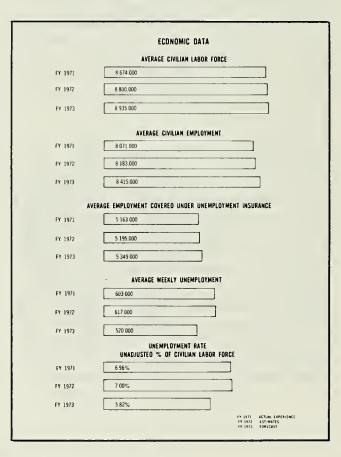
## Department of Human Resources Development

Manpower programs will be the subject of extensive evaluation with an emphasis placed upon goal-oriented operations. The average civilian employment is forecast to increase by over 200,000. This is expected to result in a decrease in the average weekly unemployment.

Significant program efforts within the budget year for this department include the Employables Program which will be fully implemented. It is designed to separate employable AFDC recipients from the unemployable AFDC recipients so that emphasis can be placed on providing employment service. The Community Work Experience Program Demonstration Project will be implemented in 35 counties when approved by the federal Department of Health, Education and Welfare. It is designed to assist employable AFDC recipients by requiring able-bodied recipients to accept work with public or nonprofit organizations.

The total of all program costs in the Department of Human Resources Development will decrease from \$1,370 million to \$1,197 million. The reduction will be due primarily to reduced expenditures in the Tax Collection and Insurance Payments Division.

Other program changes include the Food Stamp Program where able-bodied recipients are now required to register with the Department of Human Resources Development and accept employment under certain conditions; the Public Employees Program designed to provide transitional employment in public services during times of high unemployment; the New Careers in Employment Security designed to



remove institutional, individual and environmental barriers within employment security agencies; Career Opportunity Development Program to develop entry and upgrade opportunities for the disadvantaged; and the opening of the California Professional Resources Development Center to develop jobs for engineers, scientists and technicians unemployed due to cutbacks in aerospace and defense industries.

Workload changes during the current and budget year include provision to collect the state withheld personal income tax for the Franchise Tax Board, expanded unemployment and disability insurance for certain nonprofit organizations, the state itself, institutions of higher education and state hospitals and increases resulting from exemptions of vacation pay and increase base period wage requirements.

The Rural Manpower Service operation will help enable the rural work force to reach and maintain a level of economic sufficiency and to insure an adequate work force for the whole rural community.

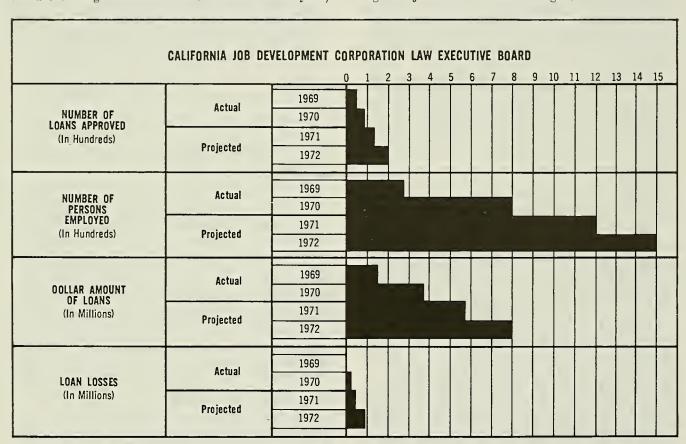
The California Commission on Aging, as a result of further augmentation in the 1972-73 fiscal year,

will be able to more effectively coordinate and evaluate federal grants for aging activities designed to reach the aged population through individual community programs.

The Office of Economic Opportunity will provide, on request, technical assistance to community action agencies in all phases of their program development, administration, and operation. Emphasis will also be placed on innovative research, pilot, and demonstration programs for the purpose of establishing new approaches to the anti-poverty efforts.

#### Cal Job Executive Law Board

This program provides the means for small businesses, particularly in the disadvantaged areas of communities, to obtain investment capital and management guidance to get started. In addition to helping various business enterprises to get established, this program has had the beneficial effect of providing new jobs for the disadvantaged.



During 1971, a Regional California Job Development Corporation was established in San Diego and capitalized by nine member banks for \$250,000. Orange County has received \$50,000 towards the capitalization of a regional job development corporation to service that county. An agreement has been entered into between the Oakland Model Cities Agency and the Oakland Small Business Development Center (a contractor under the Small Business Assistance Program) that will provide additional financial and tech-

nical resources for expanding business ownership within the Oakland model cities neighborhood.

#### **HEALTH PROGRAMS**

These programs are performed primarily through the Department of Health Care Services, Department of Public Health, Department of Mental Hygiene, the Office of Mental Retardation, the Office of Alcoholism, and the Office of Narcotic and Drug Abuse.

## Department of Health Care Services

The California Medical Assistance Program (Medi-Cal), administered by the Department of Health Care Services in cooperation with county and federal government, is budgeted at a total of \$1,689 billion in the 1972-73 fiscal year. The state's share of this program is budgeted at \$654 million from the General Fund

During the current year, the Legislature enacted Assembly Bill 949 (Chapter 577, Statutes of 1971). This law is known as the Medi-Cal Reform Program (MRP) and was operative on October 1, 1971. MRP establishes a more equitable statewide system ef eligibility. It provides for a single standard of care for all needy Californians. No longer will some Californians have to turn to county resources for their medical care. MRP also establishes a basic and supplemental schedule of benefits within a strong system of controls to ensure that necessary care is provided and that unnecessary utilization is curtailed.

MRP encourages the use of prepaid health plans as a means of delivering necessary health care. These plans will have important advantages to Medi-Cal such as better organized continuous care for those beneficiaries who choose to join, and less paperwork for the providers who participate, reduced taxpayer

MRP also improves the program's financing system. State and county overall savings will be achieved through programs of comprehensive services conducted within the framework of reasonable controls. Federal funds will be utilized for the first time for the care of newly eligible beneficiaries under the age of 21.

## Department of Public Health

Through its major programs, the Department of Public Health identifies new and changing health problems, develops improved techniques for prevention and control of disease and environmental health problems, provides and assures high-quality health services, and emphasizes community and individual participation in developing and implementing health programs and services.

Federal funds account for approximately 44 percent of the department's 1972-73 budget, including grantsin-aid, Medicare reimbursement, and support of the special projects program. Of all funds, over 80 percent will be spent at the community level, through direct financial assistance or purchase of health services.

Environmental Health and Consumer Protection Services carries out measures to detect and deal with problems in such areas as foods and drugs, radiation, domestic water and sewage disposal systems, solid waste, vector-borne disease, and occupational hazards, including pesticides. Changes proposed in this program for 1972-73 include an increase in the frequency of food and drug plant inspection, new positions to accomplish the licensing of personnel using X-ray equipment and inspection of schools teaching X-ray technology, new positions necessary to perform the requirements of the contract with the Water Resources Control Board for development of water quality plans, and provision for additional staff to accomplish more frequent inspection of the water systems in the state.

Preventive Medical Services is the focal point in the department for planning and action to improve personal health services in California. It develops and implements methods and services for control or amelioration of chronic and communicable diseases, and administers funds which purchase health services for crippled children, infants and mothers, and highrisk groups such as California's Indians. Services to the mentally retarded and their families have been expanded, and a coordinated interdepartmental program is being developed through the Office of Mental Retardation Coordination. In the current year the Venereal Disease Control Program has been expanded to combat the rapidly increasing incidence of syphilis and gonorrhea, the funds available for Crippled Children's Services are being increased to meet the greater cost of the program, and family planning services are being initiated through funds made available by the Welfare Reform Act of 1971. In the budget year, a measles control program is proposed to reduce the risk of an epidemic.

Community Health Services is the department's primary channel to local health agencies for financial and technical assistance which support planning and high-quality operations of a wide variety of health facilities and services. Health facility licensing and certification, and planning and construction, are among the major responsibilities of this program. In the current year. new positions were established to administer the program for certification of health facilities as required and funded by the federal government.

Nearly 90 percent of Community Health Services' and Preventive Medical Services' funds will be used at the local level in 1972-73.

## Mental Hygiene

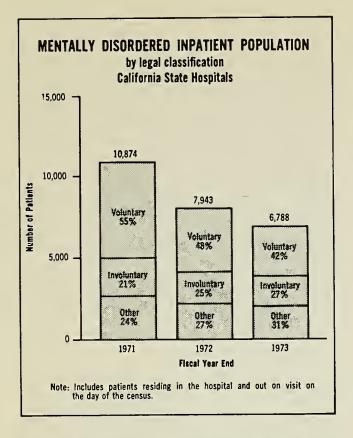
The role of the state hospitals as the major provider of services to the mentally disordered has been greatly changed since the enactment of the California Mental Health Act of 1969. Except for two of the smaller counties that have elected not to participate in the local program effort and the direct commitment of Penal Code violators, the state hospitals act as contract providers of services to local mental health programs. The local programs operate on two basic premises—that treatment close to the patients home is more effective; and that inpatient treatment for mental disorders is the least desired form of treatment and therefore the last used if all other forms fail. These two factors have produced a reduction in state hospital population from 37,711 in 1957, to an estimated 7,000 on July 30, 1973.

As a result of the reduction in patient population, one-half of Stockton State Hospital and the total hospital at Modesto have been closed. By June, 1972, the programs for the mentally ill at Agnews will have been terminated and DeWitt State Hospital will have been closed. The 1972-73 budget proposes that additional reductions of hospital operations be made dur-

ing the fiscal year.

This budget continues the emphasis on local services for the mentally disordered with the state contributing 90 percent of the net costs of these programs. Total expenditures for assistance to local mental health programs will be \$251,904,229.

Included in these estimates are the costs of mental health services provided through Medi-Cal. For the



first time the payment for these services will be made through the Short-Doyle program. Staff to provide precare and aftercare services have been furnished by contracts with the Community Services Branch of the Department of Social Welfare. Effective with the 1972-73 budget, this staff will become a part of the

Department of Mental Hygiene.

The programs of the Department of Mental Hygiene for the mentally retarded have also been redirected. Under the Lanterman Mental Retardation Services Act of 1969, the state hospitals admit and discharge patients at the request or direction of the Regional Mental Retardation Centers. The state hospitals thus serve as a treatment resource to the regional centers in much the same way as those for the mentally ill respond to the local programs for the mentally ill. This budget, for the first time, consolidates funding for mental retardation programs into a single item to be administered by the Department of Mental Hygiene. The General Fund appropriation for this program totals \$110,606,955 with \$8,194,653 for operation of the Regional Mental Retardation Centers; \$12,843,000 for the purchase of protective living services in the community; and \$89,569,302 for the purchase of services in the state hospitals.

The nursing staff in the state hospitals for the mentally retarded are scheduled to be increased by the fourth increment of five planned increases to achieve the level of the 1968 Nursing Staffing Standard. By June 30, 1973, it is planned to increase from

91 percent to 96 percent of this standard.

The placement in community living situations for the mentally retarded has been the responsibility of the Community Services Branch of the Department of Social Welfare. As is the case of similar services to the mentally ill. that organization is to be transferred from the Department of Social Welfare to the Department of Mental Hygiene.

Treatment programs at the hospitals for the mentally ill and the mentally retarded have been reorganized to better reflect treatment modalities thus providing greater flexibility and making them more responsive to treatment needs.

This budget also reflects the transfer of the Neuropsychiatric Institutes to the University of California as provided in the Governor's Health Reorganization

Plan No. 1 of 1970.

### Office af Mental Retardation

A consolidated interdepartmental program budget for the mental retardation program is presented for the second year. In addition to reporting expenditures for mental retardation services in the Departments of Education, Social Welfare, and Rehabilitation, this budget combines into a single appropriation those expenditures previously reported in the Departments of Public Health and Mental Hygiene for regional center operations, protective living services and state hospitalization, as well as the Office of Mental Retardation.

All 13 mental retardation planning areas now have access to regional center services. In addition, funds are included to provide for a second center in Los Angeles County to be located in East Los Angeles. The budget also permits state hospitals (mentally retarded) to achieve 96 percent of the current staffing standards by June 30. 1973.

Federal funds available under the Developmental Disabilities Act will be utilized to assist areawide mental retardation boards to develop their area plans. In addition, these federal funds are utilized to facilitate the development of needed services for the devel-

opmentally disabled in California.

### Office of Alcohalism

The statewide alcoholism program includes services provided by the State of California for the prevention of alcoholism and the care, treatment and rehabilitation of alcoholics.

The focus of the programs for the prevention of alcoholism is on education in the schools and the community so as to bring about changes in drinking behavior and reduce the misuse of alcoholic beverages. The Department of Education has a comprehensive training program on drug education. This program includes alcohol education conducted through regional workshops and training sessions for teachers and other school personnel. The community education efforts of the Departments of Mental Hygiene and Rehabilitation are directed at the general public in cooperation with interested groups from the private sector.

The statewide program for treatment and rehabilitation of alcoholics has emphasized the development of comprehensive community alcoholism programs through the California Mental Health Act and the McAteer Alcoholism Act. During fiscal year 1970–71, six new community alcoholism programs were developed in Ventura, Sonoma, San Bernardino, Orange, Marin, and Napa Counties bringing the total number of community alcoholism programs to 18. The State of California currently operates specialized alcoholism

programs in six state hospitals. However, the development of community alcoholism programs emphasizing local alternatives to state hospitals has contributed to a 22-percent decrease in state hospital admissions for alcoholism. It is anticipated that this decrease in alcoholic admissions to state hospitals will continue in 1972–73 with the establishment of additional community alcoholism programs through the cooperative efforts of the Departments of Mental Hygiene, Rehabilitation, and Social Welfare.

## Office of Narcotics and Drug Abuse

Prior to the creation of this office, the state did not have a coordinated information resource on narcotics and drug abuse prevention, treatment or research programs and a condition existed which permitted duplication of program effort by state and local agencies. Many community organizations hesitated to become involved in the development of needed programs since they did not know where to obtain technical information, consultation and funding.

The office has worked with all 58 counties in developing a format for countywide, coordinated drug abuse control plans. The office's capability as a central referral agency was increased by the inventory of all drug abuse programs in the state and the publication of a community services inventory. This has been made available to those agencies, groups and individuals most frequently called upon to refer individuals in need of help to the appropriate treatment resource.

In order to increase the state's information dissemination capability, a computer connection with the National Clearing House for Drug Abuse Information will be installed. This will enable the office to rapidly retrieve abstracts of research, biomedical, pharmacological, social and behavioral science literature and a comprehensive collection of information on drug abuse prevention, treatment and rehabilitation programs from throughout the nation.

In attempting to assist local communities in the development of more effective programs, the office will continue to develop training teams consisting of state and local personnel to provide technical assistance on a statewide basis.

#### THE NEW DEPARTMENT OF HEALTH

#### Introduction

State health programs are currently organized under three major departments—the Department of Public Health, the Department of Mental Hygiene, and the Department of Health Care Services. Over the years, the maturation of various health programs has solidified these organizational patterns. The patterns have, however, become increasingly cumbersome. Ever more rapid program development, implementation and modifications have highlighted structural problems inherent in the present departmental organization. The departments, despite every effort, have found it increasingly difficult to respond effectively to program changes without additional expenditures of resources in areas of internal coordination, duplication of support services, and significant program overlap.

## Reorganization Plan

In Governor Reagan's Health Reorganization Message transmitted to the California Legislature on March 4, 1970, a new Department of Health was proposed as a means of fostering a coordinated and unified health program for the people of California. Under present law, the new Department of Health will come into being July 1, 1973. The Human Relations Agency has begun the task of implementation of the new department by forming a health reorganization committee. The committee is composed of the agency secretary and the Directors of Mental Hygiene, Public Health, and Health Care Services. The tentative plans of the health reorganization committee call for the establishment of four program groups in the new department: mental and developmental health, subsidized health care, health manpower and quality control, and preventive health. In addition, there will be supportive staff services to provide planning and evaluation, health and management information, fiscal and administrative services, legislative coordination, and public information.

## Transitional Reorganization

In order to insure an orderly transition, it is proposed that preparatory reorganization steps be taken. The initial phases of the reorganization plan will respond to the most critical program coordination needs faced by the three existing departments. Legislation will be proposed during the 1972 Legislative Session to obtain additional statutory authority which would allow a smooth transition. This proposed legislation would provide the Secretary of the Human Relations Agency with additional authority to begin phasing of the implementation of the new Department of Health. The present law requires that implementation be completed by July 1, 1973.

The tentative plan for the 1972-73 fiscal year: Direct social work services provided by the Department of Social Welfare to patients of the Department of Mental Hygiene would be transferred to DMH. This program would provide services for protection and out-of-home care to help prevent needless hospitalization of mentally ill and mentally retarded persons, to release them from hospital care when ready, and to maintain them in the community when it appears they will not require further hospitalization. This transfer would continue and strengthen the local community participation thrust of the mental health programs.

Mental retardation services provided by the Department of Public Health would be transferred to the Department of Mental Hygiene. The program would be responsible for determining care, needs, resources, and for assisting and planning for the orderly development of state services for the mentally retarded. It would also be responsible for the operation of the regional center program for the mentally retarded. This shift would facilitate the usage of a single appropriation for programs for the mentally retarded which would directly improve coordination

and accountability in the delivery of services for the mentally retarded.

The vocational rehabilitation program for alcoholism in the Department of Rehabilitation would be transferred to the Department of Mental Hygiene.

This program bears responsibility for a statewide comprehensive plan for vocational rehabilitation for alcoholism through early detection, prevention and treatment.

The teaching and research programs in the field of psychiatry are being transferred to the University of California by transferring the two neuropsychiatric institutes from the Department of Mental Hygiene.

The above proposed program transfers, along with the programs already existing in the Department of Mental Hygiene, would allow the formation of the nucleus of the proposed program grouping of mental and developmental health of the Department of Health.

The crippled children's program and that portion of the Department of Public Health's preventive medical services program dealing with chronic renal disease control would be transferred to the Department of Health Care Services. The crippled children's program subvention to the counties is designed to maintain continuing early case finding of children with handicapping conditions and assure that those eligible for assistance are provided quality comprehensive medical and related services to correct or ameliorate their handicap. The renal disease control program subvention to the counties is involved with operation and standards of renal dialysis facilities. Both of these have functions which would be combined with the applicable elements of the Medi-Cal program to form the nucleus of the proposed program grouping of subsidized health care of the Department of Health.

The licensing and certification program of health facilities, including that portion of the laboratory services program which is devoted to certification activities, would be transferred to the Department of Health Care Services. These licensing and certification functions assure that health facilities are capable of providing high quality services for maintaining high standards of care and operation. In addition, the functions of rate setting and standard setting will be consolidated to improve community care. This consolidation along similar quality control functions in the Department of Health Care Services and the

Department of Mental Hygiene would form the nucleus of the program grouping of health manpower and quality control of the Department of Health.

The preliminary transfers of program services to the Department of Mental Hygiene and to the Department of Health Care Services would provide a headstart on the total reorganization to be effective in July 1973 and ean be achieved with a minimum of disruption and a maximum amount of program coordination.

Existing programs, incorporating a broad spectrum of environmental, protective, and preventive health programs affecting all segments of the state population will receive a concerted review and emphasis. These programs would continue in the Department of Public Health. They would eventually become the nucleus of the program grouping of preventive health of the Department of Health.

During 1972, there would be a continued study of the staff services functions of the Department of Public Health, Department of Health Care Services, and the Department of Mental Hygiene that will be consolidated in the Department of Health. In addition, each of these departments will be examining ways of meaningfully integrating the programs within each of the four program groupings.

## Reorganization as of July 1, 1973

On July 1, 1973, the Department of Health will become fully operational. Tentatively, this department will have four program groupings which will encompass all of the activities of the Departments of Public Health, Health Care Services and Mental Hygiene. Continued study will take place during 1971–72 and 1972–73 in order to consolidate the staff services functions in the most efficient manner. In addition, 10 healing arts and licensing boards from the Department of Consumer Affairs will be placed in the program grouping of health manpower and quality control of the Department of Health. This program will be designed to give new emphasis and direction to all aspects of health manpower.

The preparatory reorganization changes, which lead to the creation of the new Department of Health by July 1, 1973, will encourage progressive changes in the health care delivery system that will make it more efficient, effective, and available to all Californians.





## Education

Throughout the nation, education seems in turmoil, for it is both engendering and responding to the diverse and often conflicting challenges of a dynamic society. Change is clearly in the wind although none can predict, with assurance, the ultimate outcome. Now, as in the past, California can lead the nation. Our size and complexity alone require that we see farther and probe deeper into the problems of education-that we foreshadow the best of what the future may bring to the nation as a whole.

The state general funds budgeted for all of educacation, excluding capital outlay, represent an increase of 60 percent in 1972-73 over the expenditures of 1966-67. By educational levels, support for elementary and secondary schools increases by 44 percent, community college funding grows 205 percent and the rest of higher education increases by 78 percent. It is true that throughout this period all sectors have had to husband their resources. Economy, though, is not the sole concern, more broadly the intent is the application of each taxpayer's dollar where classroom instruction effectively occurs . . . at the point of interaction between the teacher and the child . . . the professor and the student.

The state has not lagged in its support nor have educators in their effort. But, much remains to be done, for the needs and opportunities of society continue to expand and change. Each year the technology is of a new year; communication systems become more sophisticated; different and more specialized occupations and careers open; older specialties no longer prevail. Life styles evolve as leisure time expands, personal mobility increases, and awareness of environment and culture grows. California educational systems will accommodate these new challenges and new uncertainties through relevant instruction and research. They will also stimulate rational and sensitive response. This budget reflects the view that California's educational programs are active instruments of change important for progress in the decade of the 70's.

How can the state, through its budget process, assist in meeting this challenge and serve to maintain leadership in the face of uncertainty? Although the 1972-73 Governor's Budget increases General Fund support for all of education by \$204 million over that

of 1971-72, these dollars alone are not an answer. Students learn nothing from a budget. But the budget sets the stage for teachers and students by allocating the resources to advance education's mission. New programs must meet emerging and unresolved problems. They must also face the test of producing measurable results, for behind the taxpayers' dollars is the call for accountability.

The issues above should be considered in the context of Table A, which, although partial, presents an impressive overview of all public education in California. It shows that in 1971 over 417,000 Californians received certificates, degrees, diplomas, or other evidence of successful completion of a phase of an educational

program.

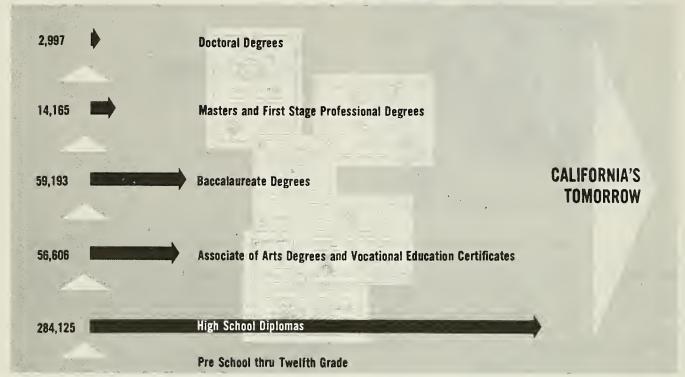
However, these statistics do not tell a complete story of California's educational prospects or accomplishment. Innovation and new programs may drastically change the numbers in the table. Increasingly broader publics, for example, are being reached through such programs as occupational education for high school students, and, in higher education through extended degrees and student "packages" of financial assist-

Table A tells us something of the immense size of the task in determining educational effectiveness. Can substantially all of the 284,000 high school graduates who so desire enter useful and rewarding occupations? Can those 3,000 students who have completed graduate school find the highly specialized careers for which they have prepared? These are not easy questions to answer, yet answers must be found. Degrees and certificates are important, but they are neither the only nor necessarily the best measures of effectiveness.

Perhaps most critically—Table A raises the issue of accountability. Administrators and teachers are accountable to taxpayers for the quality of the 417,000 certificates, diplomas, and degrees awarded in California last year, and for the productivity and costs of the educational processes generating those awards. But, accountability is not a one-way street. The state is also accountable to students, parents and teachers as well as taxpayers for the adequacy of resources to maintain and enhance the quality of all levels of education in California. The state, educators and admin-

## TABLE A. PUBLIC EDUCATION FOR CALIFORNIA TODAY \*

Annual Evidence of Student Achievement



<sup>\*</sup> Output data based on actual 1970-71 statistics

istrators, therefore, must make every effort to develop better measures of accountability.

These overlapping themes, then, innovation, effectiveness measures and educational accountability appear with varying emphasis in the highlights of specific budget items.

#### ELEMENTARY AND SECONDARY EDUCATION

California youngsters normally devote 13 years of their lives in kindergarten, elementary and secondary classrooms, listening, talking and learning through teachers and classmates. The 284,000 high school graduates of 1971, at the conclusion of that lengthy period of exposure, were expected to have acquired skills and understandings which will benefit society and themselves.

#### Redirection Through Leadership and Innovation

Nearly five million of our children are presently involved in California's kindergarten through twelfth grade programs. General Fund participation in financing all K-12 education programs, exclusive of departmental support, is a huge \$1,648 million for 1972-73. This level of support demonstrates the taxpayers' faith in the process of education and in its importance and contributions to society.

The Superintendent of Public Instruction and the State Board of Education intend to strengthen Californians' belief in their education system by restructuring the activities of the Department of Education and statewide programs. In giving form and substance to redirection, nine immediate priorities can bring greater vitality and relevance to the classroom, and accountability to the administrative structure.

Of paramount interest is the reorganization of the Department of Education itself. Educational leadership and sensitivity at the statewide level are essential: California's 1,067 school districts, from the large metropolitan organizations serving thousands of students to the few remaining one-room schoolhouses, are relatively independent, yet each is a partner in the drive for leadership.

Other overall priorities include the need to formulate the means for improving curriculum planning and textbook selection and to increase student achievement in basic skill subjects such as reading and mathematics. Also receiving special emphasis are:

Career education; to insure that occupational decisions are made through sensible choice, not by chance.

Drug prevention; to stem the influence of the drug culture and relieve drug abuse.

Early childhood education; to consider the potential for markedly increasing learning capacity, social development and coordination.

Bilingual-bicultural education; to provide a quality education for all Californians, and to cultivate an appreciation for the contributions of each of the many cultures flourishing in this state.

Numerous other priorities including teacher evaluation, urban and conservation education, testing procedures, and counseling services are targeted for attention during 1972–73. Although these certainly do not include all of California's problems in education, they do represent the most pressing issues being addressed by specially designated task forces.

1971 legislation has aided innovation in numerous areas. Among those with the most exciting potential

are the increased attention given to occupational preparation programs, and experimentation with year-

round operations.

Surely one measure of educational success is employment in a skilled trade. This is a primary objective of occupational preparation programs offered at the high school level. Recently enacted legislation increasing program scope and flexibility is one step which has been taken to emphasize the value of occupational preparation. Along with funding for vocational education classes on Saturday, the enacted measures will broaden opportunities for students to gain practical experience in modern industrial facilities. From existing regular apportionments to public schools, approximately \$152 million will be provided by the state for occupational preparation programs in 1972-73. This, together with funds from the Federal Vocation Educational Act will supply more than \$200 million to local educational agencies for occupational preparation programs. Yet, even greater attention can be directed to vocational education and its benefits.

Public elementary and secondary schools traditionally have offered a nine-month regular academic program. Many districts also provide voluntary remedial or enrichment courses during the summer. The opportunity to explore the possibilities for year-round operations is now available to school districts under 1971 legislation. Several districts are testing the impact of the year-round mode on facility use, students, and families. Accelerated student progress, reduction of learning losses associated with extended vacations, and reduced costs of construction and school site acquisitions are among the probable benefits being explored.

## Local Assistance

Through the superintendent and the Department of Education, professional guidance and assistance are provided to California's 1,067 public school districts. In financial support, \$1,382 million General Fund is being provided in school apportionments to elementary and secondary public schools in 1972–73.

One of the most significant developments in the history of the State Teachers' Retirement System, under the provisions of Chapter 1305, Statutes of 1971, is its conversion from a partially funded program to a reserve funded system while at the same time providing considerably improved benefits. Beginning July 1, 1972, future benefits will be funded in full by employee-employer contributions made as the service accrues on the records of the system. The employer contribution is increased from 3.2 percent beginning July 1, 1972 to 8 percent on July 1, 1978. The teacher will begin contributing 8 percent of salary on July 1, 1972. In 30 years the retirement system will be funded to the extent that sufficient moneys will be on deposit to pay benefits to those persons then on the retired roll and to refund to the active teachers their contributions with interest. Beginning in 1972-73, district contributions for retirement will reflect the true cost of providing the retirement benefits. Approximately \$42 million in state funds is being provided in school apportionments in order to enable low-wealth school districts to meet these retirement costs. Additionally, the General Fund will contribute \$135 million per year for the next 30 years to pay for the unfunded portion of retirement benefits in force on June 30, 1972.

In 1972–73, \$65 million additional school apportionment funds are being provided in order to further assist school districts having the most serious and immediate needs in meeting the increased costs of education. The California State Supreme Court in 1971 addressed directly the issue of equality of educational opportunity in the California public school system. While recognized imbalances exist, as yet unresolved is the method for correcting present inequalities. In moving toward resolution, the State Superintendent of Public Instruction with the assistance of this administration is developing a legislative proposal which will allow Californians to correct the present situation.

California's preschool educational programs are intended to satisfy the special educational needs of disadvantaged preschool children. A variety of programs are supported from both federal and state resources. In 1972–73, \$5.3 million in state funds provided for the state preschool programs will be matched with \$16 million in federal funds. The preschool program has been increased by \$4 million during the current year permitting 4.000 additional children to be served. As a result, the program reaches approximately 18,000 California youngsters, a level to be continued in 1972–73.

The children's center program is another of the special services provided by citizens of California. Through this effort, child care services are made available for children of parents with low incomes or who are unemployed in order that the parents may work or participate in job-training programs. Of approximately \$11.7 million in state General Fund proposed for 1972–73, \$5.6 million will attract an additional \$16.7 million in federal funds.

Another program with broad impact satisfies student nutritional needs throughout the state. In 1972–73 the pupil nutrition program is expected to serve free or reduced-price meals to one million children of welfare recipients and others who are needy. The federal government beginning in 1971–72 is increasing its participation in this program from  $30\phi$  a meal to  $40\phi$ . As a result, school districts participating in the program will be able to provide free or reduced-price meals to needy children at less expense to the districts.

## Teacher Preparation and Licensing

A major factor in the educational environment of a child is the schoolteacher. The teacher's training and character have a significant influence on the child's progress in the classroom. During the 1971–72 and 1972–73 fiscal years, the Commission for Teacher Preparation and Licensing and the Department of Education jointly will begin to develop criteria for evaluating teacher performance on the basis of individual qualifications rather than simply providing credit for numbers of classes taken by teachers. This effort is directed toward achieving increased responsibility by school districts and teachers in assuring student progress.

The commission will implement three examinations applicable to five credentials during 1972-73. Examinations selected are to cover the multisubjects credential (including qualification for administration and

pupil personnel services credential), reading, and the specialist credential in special education.

Commission funds, projected at \$2.1 million for 1972-73 are revenues obtained from credential fees.

TABLE B

## Expenditures for Elementary and Secondary Education General Fund (In Thousands)

STATE OPERATIONS

Educational Research Commission Department of Education Teacher licensing State teachers' retirement	Actual	Estimated	Estimated
	1970-71	1971-72	1972-73
	\$51	-	-
	15,092	\$16,232	\$16,506
	2,809	225	- 1
	1,275	1,289	- 2
Totals, Support, Education	\$19,227	\$17,746	\$16,506

#### LOCAL ASSISTANCE

LOUALI	POSTOTATA		
Apportionments for public schools (K-12)	\$1,288,141	\$1,309,659	\$1,381,826
Instructional television	629		640
Compensatory education	10.911		
Public elementary school		,	-0,-00
reading instruction	18,000	18,360	19,278
Mathematics improvement			
program	922	_	_
Children's centers	17,016	20,750	21,743
Grants to teachers of		· ·	
physically handicapped			
minors	138	150	150
State school lunch program	6,000	_	_
Free textbooks	18,304	11,724	11,938
Assistance to public			
libraries	970	800	800
Vocational education	555	550	550
Teachers' retirement	91,000 3	20,000	135,000 4
Debt service	50,431	55,310	65,835
Totals, Local Assistance	\$1,503,017	\$1,448,907	\$1,648,010

Totals, State Operations and Local

Operations and Local Assistance \_\_\_\_\_ \$1,522,244 \$1,466,653 \$1,664,516

- 1 Commission for Teacher Preparation and Licensing, formerly a function within the Department of Education, was established August 1, 1971, and is currently supported by a special fund. Support for this program is estimated at \$2.3 million in 1971-72 and \$2.1 million in 1972-73.
- <sup>2</sup> Chapter 1305, Statutes of 1971, provides that the administrative support costs of the Teachers' Retirement System will be funded from the Teachers' Retirement Fund beginning in 1972-73.
- 3 Current cash obligation only and does not include the annual prospective debt incurred.
- 4 Chapter 1305, Statutes of 1971, begins to place the Teachers' Retirement System on a reserve funded basis.

## POSTSECONDARY EDUCATION

What is the function of a college or university? Can we identify higher education's purposes? Describe the worth of a degree, and also fix its cost!

Questions and challenges such as these today concern not only student, academicians, administrators, but all persons interested in higher education. In California, external and internal forces press for change, for improvement, and particularly for results. Efforts, now underway, strive to appraise and quantify education's benefits and products. Creative instructional techniques are being introduced. Emphasis is being placed anew on educational accountability. This budget encourages each level of higher education to meet the new challenges and uncertainties in the educational process.

#### Student Financial Assistance

State government budgets public funds for its institutions of higher learning, but the most direct recipients of the educational product are the students. Those who have the desire and capacity to pursue educational goals merit special efforts to afford them access to the benefits of higher education. Some who desire to attend institutions of higher education barriers to entry, not for lack of personal motivation, but because they have inadequate financial means. Other students who demonstrate high potential for academic achievement find that educational disadvantages in high school careers limit their access to college.

The higher education student financial assistance program will help students with both types of disadvantages. By combining sources of funds, even greater resources can be brought to bear on the problems of needy students.

The State of California in concert with the federal government, and institutional sources will make available \$289 million in 1972-73 through numerous programs to reduce financial barriers facing students. Undeprivileged, disadvantaged and financially needy students receive assistance at their campuses through "packages" of student aid. The assistance package combines grants, loans, work-study options and other aids, depending on individual student requirements.

Table C illustrates in dollar terms, the commitment of providing access to higher education for those who require student financial assistance:

Table C. California Higher Education Student Financial Assistance (in millions) MILLIONS 300 250 200 150 100 50 0 **PROPOSED ESTIMATED ACTUAL** 1972-73 1970-71 1971-72 STATE \$26.5 \$27.4 \$35.3 168.2 204.1 211.8 **FEDERAL** INSTITUTIONAL 38.9 41.6 27.6 SOURCES **TOTALS** \$270.4 \$288.7 \$222.3 ⊥ Loans **Scholarships** 

Work/Study

**Educational Opportunity** 

(Program and Grants)

One of the primary instruments providing student financial assistance is the State Scholarship and Loan Commission whose state funds will increase by 41 percent in 1972–73 over the current year, to \$28,225,056. In addition to other forms of student assistance, this organization has, since its creation by law in 1955, granted more than 100,000 scholarship awards, at a cost of \$75 million.

Among the activities administered by the commission, one of the most successful has been the College Opportunity Grant (COG) Program, through which financially needy students who do not qualify for scholarship awards are aided to attend college. The three-year test program for the 1,000 annual recipients has produced excellent results, with more than 85 percent progressing to their sophomore year. Based on this success rate, the number of COG awards has been increased to 2,000 beginning in 1972–73. State support will increase from \$2.8 million to \$4.4 million.

## California's Community Colleges

One of the most rapidly growing and advanced regional college concepts in the nation is being demonstrated across the length and breadth of California. This is the chain of California Community Colleges presently made up of 93 campuses. The system provides access to postsecondary education for more than 800,000 Californians annually.

Opportunity is offered through the community colleges for vocational or technical training as well as for academic preparation. Average daily attendance since 1966-67 has risen dramatically, 83 percent, to the level projected for 1972-73. State aid has increased markedly in support of this promising educational sector. Included in the local school apportionments for 1972-73 are \$214.4 million in state general funds for continued support of the community colleges. This is an increase of 203 percent over that provided in 1966-67.

#### Expenditures for California Community Colleges General Fund (In Thousands)

STATE OPERATIONS Actual 1970-71 Estimated 1971-72 Estimated Board of Governors of Cali-fornia Community Colleges 1972-73 \$990 \$960 \$999 LOCAL ASSISTANCE Apportionments for public schools (community colleges) \$162,752 \$187,526 \$214,368 Assistance to new community college districts 1,300 Community colleges extended opportunity program \_\_\_\_ 4,350 3,350 3,350 Subtotals, Local Assistance \$167,102 \$217,718 \$192,176 Totals, State Operations \$168,092 \$193,136 \$218,717 and Local Assistance

## California State Colleges and University of California

The California State Colleges make up a system which began with the state's first normal school in 1857. The system with 19 campuses and more than 260,000 graduate and undergraduate students, will soon be designated "California State University and Colleges" in recognition of their educational accomplishments.

In 1972–73 the California State Colleges will receive approximately \$350.2 million in state general funds, an increase of \$31.5 million over the current year. In the instruction program, this support maintains faculty workload at the level estimated for 1971–72. This means that each faculty member on a systemwide average will be expected to generate 11.9 weighted teaching units (WTU) in the classroom. Weighted teaching units roughly approximate contact hours expended by faculty meeting with students in an instructional setting. The 11.9 WTU is an estimate of 1971–72 effort and an increase of more than one WTU per faculty over the latest period for which actual data are available, fall 1970.

The budget proposal represents another step toward restoring the state college budgeting norm of 12 WTU. To accommodate an increased enrollment of 11,680 full-time students over the number budgeted for 1971–72, 637 additional faculty positions are proposed. This will continue the current ratio of 18.25 full-time equivalent students for each faculty member.

The University of California, in its second century of education and research, maintains nine campuses and offers academic degrees through the doctoral level. State general funds proposed for the university total \$355.8 million for 1972–73, an increase of \$18.7 million over the current year. In the instruction program, this budget would maintain faculty workload at the current level. Therefore, the budget proposes that each regular faculty member, on a systemwide average, spend 6.4 contact hours each week, meeting with students in lecture and laboratory settings. This is an increase of one-half hour per regular faculty over the actual effort of regular faculty recorded in fall 1970.

This budgetary action continues the trend toward increasing classroom contact of faculty with students in moving toward a norm of nine weekly classroom contact hours expected of university faculty. Of the variety of assignments which make up the faculty workweek in the university, one of the few activities which can be reliably quantified is the faculty instructional work effort in laboratory and lecture. Under this budget proposal the university has the opportunity to complete its intended establishment of a universitywide comprehensive faculty workload policy.

The eight general campuses expect an increase of 4,254 full-time students over the actual enrollment of the current fiscal year. Twenty-nine faculty positions are added in this budget to those faculty budgeted for 1971–72 in expectation of increased enrollments which did not materialize. This budget will maintain the present student-faculty ratio of 17.4 full-time students for each faculty member. The health sciences will add 779 FTE students together with 130 positions in 1972–73, an increase of 10 percent over the 8,436 students estimated for 1971–72.

#### Salary Increase Proposal

This budget contains funds which equate to a  $7\frac{1}{2}$  percent increase for faculty, instructional and related classes and 5 percent for other employees in the State Colleges and at the University. The funds total \$42.6 million.

## Expenditures for Higher Education 1 General Fund (In Thousands)

#### STATE OPERATIONS

Coordinating Council for	Actual 1970–71	Estimated 1971-72	Estimated 1972-73
Higher Education	\$357	\$453	\$475
University of California	337,079	337,091	355,800 2
Hastings College of Law	1,239	1,252	1,534
California State Colleges	305,132	318,693	350,167 2
California Maritime Academy	791	791	891
State Scholarship and Loan			
Commission	16.099	20,000	28,225
Western Interstate Commis-	·	,	· ·
sion for Higher Education	15	15	15
Totals, Support, Higher			
Education	\$660.712	\$678.295	\$737,107

1 Excludes state operations and local assistance expenditures for California Community Colleges.

<sup>2</sup> Funds equating to a 7½ percent increase for faculty, instructional and related classes and 5 percent for other employees at the University and the State Colleges are not included in these items, Such funds total \$42.574,000 for 1972-73.

#### Instructional Innovation

Both the University of California and the California State Colleges have initiated a variety of creative efforts to reach publics not now served. Several alternative paths toward educational progress have been established. Primary emphasis is on external degree programs attuned to the particular needs of those who can only attend a college or university on a part-time basis.

In the University of California the effort is known as the "Extended University." One facet of the California State College program is called the "Week-End College" and its emphasis is on individual self-renewal.

Funds have been set aside specifically for innovation in the state colleges, and will be used for various purposes. Among the specific goals is the intent to further personalize the educational process. Technological innovations are being employed to satisfy very diverse individual student needs. Improved use of the media, such as computer assisted instruction, programmed instruction, shared video tapes, and audiovisual instructional aids will support the instructional program.

New efforts in relation to graduate education will be undertaken by the State Scholarship and Loan Commission, in the form of the graduate fellowship program. In addition to the academic and financial criteria for awarding fellowships, critical manpower needs in the various fields of study will also be assessed. The previous fellowship program for teacher preparation has been discontinued because of the present surplus of teachers throughout California. Emphasis in the new \$1 million program will assist in matching the supply of graduate scholars with demands of the marketplace.

Another approach to meeting manpower requirements is a new medical contracting program which will begin in 1972–73 at an initial cost of \$660,000.

The State Scholarship and Loan Commission will administer this effort aimed at expanding enrollments by contracting with independent California medical schools. While an estimated 55 additional students will enroll in 1972–73, more than 350 additional doc-

tors will subsequently be supplied on a continuing basis through this program.

#### **Educational Results**

The introduction of creative methods alone does not answer the question of educational effectiveness. The state colleges and the university are taking an active interest in the goals, accomplishments, and related costs of individual academic programs. They are seeking indexes to identify the quality and quantity of the benefits of higher education, some measure of the "value added" to an individual completing the college or university experience. Especially difficult is the measuring of education's influence on an individual's capacity for critical thinking, reasoning, and creativity. The measure of earning power or occupational skill and competence is more readily quantified but such data have not in the past been given the attention deserved.

In looking to the future, much interest also revolves around the planned efforts of two select groups reviewing the state's Master Plan for Higher Education. The Legislative Joint Committee on the Master Plan for Higher Education and the Select Committee on the Master Plan for Higher Education, appointed by the Coordinating Council for Higher Education are reviewing the educational and structural premises underlying the existing higher educational system in California.

## Educational Accountability

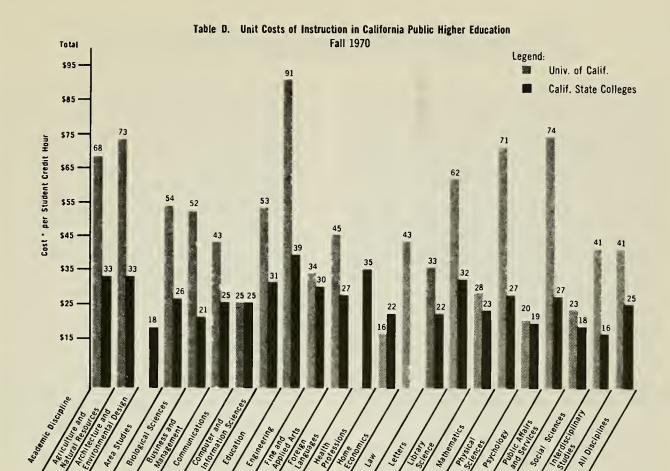
It continues to be the state's responsibility to all Californians to certify that educational resources are effectively utilized. With this in mind, greater emphasis has been placed—both in the budget process and within the segments of higher education—on managerial accountability.

Internal management is being strengthened in numerous ways. In the California State Colleges, this is being accomplished through strengthening of the first-line supervisor, the department chairman. The need for expertise in the management of higher education is also being emphasized.

Technology assists the systems' decisionmaking processes through utilization of forecasting and cost efficency models. These models have been constructed internally and by the National Center for Higher Education Management Systems (NCHEMS) which is developing products to assist institutional management and to permit more comparable evaluations of

higher education inputs and outputs.

In this same vein, both systems have taken new initiatives in reviewing faculty workload, program productivity, and program cost. One useful management gauge is the identification of unit costs. Legislation enacted in 1971 contemplates annual reporting of the full cost of instructing students in each of California's three systems of public higher education. This budget displays in Table D one measure, cost per student credit hour, arrayed by academic discipline. Direct comparisons are difficult because of the differing missions of the segments, differing definitions and present inability to measure the effectiveness of the educational effort. Nevertheless, these statistics clearly suggest areas for further inquiry.



\* Reflects total direct costs of Instruction Program, including clerical and technical support and operating expenses. Excludes cost of capital construction, Actual fall quarter costs have been reported for the University of California; semester costs have been converted into "quarter" equivalents for the California State Colleges.

Accountability should also be considered in the context of service to the students. Students deserve management's attention and assistance in seeking their educational objectives. Both public systems are accelerating efforts to eliminate artificial barriers by permitting challenge examinations for example, or comprehensive evaluations in lieu of overlapping course requirements. Student commitment to education is also being more closely structured by requiring more specific definition of student desires, and by reducing excess accumulation of credits. In addition, methods are being developed to streamline the student selection process, reduce the dropout rate, and to assist transfer and new students to adapt to the college and university environment.

## Capital Outlay

This budget anticipates the passage of two new bond issue proposals slated for consideration by the electorate in November 1972. One measure includes funding for health science facilities at University of California campuses. The other bond issue, at \$165 million, will support community college construction over a period of the next three or four years.

The 1972-73 capital outlay program for the University of California totals \$113,300,000. Of this amount, \$34,197,000 is proposed from the Educational Fee Fund. Approximately \$9 million of this fund is for two projects, proposed as possibilities for securing federal interest subsidy loans. This unique financing venture provides low-rate interest loans which would

be repaid from the Education Fee Fund over a period of several years. The Capital Outlay Fund for Public Higher Education will provide \$4.5 million. Of this \$1.5 million is for remedying present facility deficiencies in the Langley Porter Neuropsychiatric Institute to be transferred organizationally to the university, and the balance for minor projects. Approximately \$17,211,000 is proposed for health science projects to be funded from the proceeds of bond sales pending approval of the health sciences bond issue.

Capital outlay expenditures of \$73,604,942 are proposed for the state colleges in 1972-73. Of this amount, \$34,557,000 would be obtained from the Capital Outlay Fund for Public Higher Education.

Included also in the 1972–73 budget is a community college capital outlay program total of \$78,691,289, involving 43 districts. Of this amount, a state appropriation of \$45,164,875 would be provided from the Community College Construction Bond Act Fund to be considered by the electorate in November 1972. An additional \$33,526,414 is to be provided from local sources.

Another potential source of funds may be made available for capital outlay in the current and budget years as a result of the revenue measure passed during the First Extraordinary Session of the 1971 Legislature. Because of the late passage of this bill, the 1972–73 capital outlay budget cannot include its effects. As appropriate, a detailed schedule of projects reflecting the proposed use of any additional capital outlay funds will be submitted to the Legislature.

# State Construction Programs

Capital outlay construction is divided into six basic programs. The most encompassing is the State Building Program which includes projected capital outlay requirements for publicly supported higher education, mental hygiene, corrections, and for office space. It also provides for meeting the requirements of several agencies, including the Department of Conservation, Military Department, and the Department of General Services.

The State Highway Program is a quasi-legislative program designed to provide a safe, efficient, serviceable, and environmentally compatible system of state highways which will connect all major population centers and will provide for continuity of travel throughout the state and connect with major high-

ways in adjacent states.

The District Fair Construction Program provides the funding for construction of facilities for district agricultural associations. The details of these projects will be found in a supplemental budget volume containing the budgets of the individual fairs.

The Wildlife Conservation Program, as administered by the Department of Fish and Game and the Wildlife Conservation Board, provides for the protection, propagation, and management of the state's fish and wildlife resources.

The Parks and Recreation Acquisition and Development Program consists of the continuing development of facilities to meet California's recreational needs. The 1972-73 budget of this program includes funds from the State Beach, Park, Recreational and Historical Facilities Bond Act of 1964 and from the new Recreation and Fish and Wildlife Enhancement Bond Act, approved by the voters in last November's election.

The California Water Facilities Program reflects the funding of the State Water Project as it enters its 11th year. The work under contract or completed on this project represents over 99 percent of the total project.

The sources from which the capital outlay budget is funded are described below:

 Current revenues and any accumulated balances in governmental cost funds. These are moneys collected in the form of taxes, license and permit fees, interest on investments, and similar items of income.

- 2. The proceeds from the sale of general obligation bonds which bonds are secured by the "full faith and credit" of the state. Outstanding bonds of this kind are (a) State Construction Program bonds, and (b) State Beach, Park, Recreational, and Historical Facilities bonds. The repayment of principal and interest on such indebtedness constitutes a preferred claim on the financial resources of the state. Within this classification falls a special category referred to as "selfliquidating" bonds. Bonds in this category are the California Water Resources development bonds. In the case of this special grouping, such bonds although legally possessed by the characteristics of general obligation bonds are serviced from the revenues produced by the ventures or projects financed in this manner.
- 3. Revenue bonds are those that are secured solely by the income derived from the use or operation of the facilities funded by this method.
- 4. Trust certificates represent a form of capital financing which makes use of the large balances accumulated in trust accounts or funds of the state. Because such funds are dedicated to meet future obligations, sound fiscal management dictates the investment of the currently unneeded cash in these accounts and funds. One way of investing these moneys is by the purchase of trust certificates issued by the state for the construction of general purpose office buildings.
- 5. Nonstate funds such as federal and private grants, endowments, and certain other funds as payments of overhead charges on research projects conducted by the University represent yet another source of capital financing.

To provide a complete and comprehensive picture of the state's capital outlay program all proposed projects are included in the capital budget regardless of the source of financing.

Following the generally accepted principles of governmental accounting, however, only expenditures from governmental cost funds are included in the budget totals. Expenditures from bond proceeds and other forms of borrowing are excluded—such expenditures are reported as expenditures of the fiscal years in which the payments on principal and interest are made.

### Revenue Estimates

State revenues for the 1972-73 fiscal year are estimated at \$7,366,043,313, approximately \$572 million above the amount anticipated during 1971-72. Of the above, \$5,777,196,763 is for the General Fund and \$1,588,846,550 accrues to the various special funds.

Tax yields generally follow changes in economic activity. The revenue estimates for 1972-73 reflect a vigorous economic recovery accompanied by higher corporate profits, strong gains in consumer spending, and a substantial increase in personal income of Californians.

Revenue for the General Fund in 1972-73 is estimated at \$5,777,197.000 \* or \$468 million more than the current year. The unusually large increase in receipts for the current and budget years is largely due to tax legislation passed during the Extraordinary Session of 1971. The provisions of that legislation and the resultant revenue changes are discussed in the following section.

Estimated receipts for the special funds for 1972–73 total \$1.588,847,000 or \$103 million more than the current fiscal year. The large gain in the budget year is accounted for by an increase in the state's share of tideland oil revenues as a result of final repayment of development costs, and a shift of \$25 million from the Central Valley Water Project Construction Fund to the California Water Fund.

Receipts for the General Fund and special funds for the past, current and budget years are shown in Table 1.

TABLE 1
State Revenue Collections
(In millions)

				Percent
	Actual	Estimated	Estimated	of total
Taxes, fees, etc.	1970-71	1971-72	1972-73	1972-73
General Fund:				
Sales and use	\$1,808.0	\$1,973.0	\$2,110.0	28.6
Personal income	1,264.4	1,747.0	1.880.0	25.5
Bank and corporation	532.1	673.0	770.0	10.5
Inheritance and gift	185.7	211.0	291.1	4.0
Insurance	158.4	171.0	187.0	2.5
Cigarette	168.1	171.6	173.8	2.4
Alcoholic beverage	113.6	119.5	126.0	1.7
Horse racing	55.8	59.2	62.8	0.9
Private car	4.1	4.8	5.3	0.1
Other sources	192.8	178.8	171.2	2.3
Totals, General Fund	\$4,483.1	\$5,308.9	\$5,777.2	78.4
Special Funds:				
Motor Vehicle:				
Fuels	\$674.6	\$704.4	\$731.4	9.9
Registration, weight, etc	275.7	287.6	298.6	4.1
License fee	237.5	256.6	270.8	3.7
Transportation	25.5	27.3	29.4	0.4
Cigarette	71.7	73.5	74.5	1.0
Alcoholic beverage	13.6	12.8	13.0	0.2
Horse racing	8.8	8.3	8.9	0.1
Other sources †	126.6	115.0	162.3	2.2
Totals, Special Funds	\$1,433.9	\$1,485.4	\$1,588.8	21.6
	====	====		
TOTALS	\$5,917.0	\$6,794.3	\$7,366.0	100,0
				., ,

† Includes personalized license plates.

### 1971 TAX LEGISLATION

General Fund expenditures during fiscal year 1970-71 exceeded cash revenues by \$315 million, thereby exhausting the beginning surplus and forcing the state to start the 1971–72 fiscal year with a cash deficit of over \$170 million. In order to cover this deficit and avoid resorting to registered warrants, Governor Reagan called the Legislature into extraordinary session. This action resulted in the enactment of a tax program which will increase revenues by \$427 million in 1971–72 and by \$504 million in the budget year.

Most of the additional revenue from this tax program will result from the adoption of a withholding system to collect the state personal income tax. The acceleration of income tax receipts in the first year (windfall), which results from the implementation of a withholding system, will be partially refunded in the form of a 20-percent reduction of the tax on 1971 income. This forgiveness will reduce 1971-72 receipts by approximately \$235 million. In addition, \$150 million of the windfall is reserved for capital outlay, primarily for education.

Other changes in the Personal Income Tax Law

are:

 a revised method of taxing capital gains income,

(2) an increase in the maximum tax rate from 10 percent to 11 percent, effective with 1973 income year,

(3) conformity of state law to virtually all the provisions of the 1969 Federal Tax Reform

Act,

(4) the imposition of a 2½-percent tax on preferential income over \$30,000. Preferential income is the tax-exempt portion of income derived from capital gains, accelerated depreciation in excess of straightline depreciation, excess depletion allowances and excess investment interest.

The bank and corporation tax rate was raised from 7 to 7.6 percent beginning with income earned in 1972.

Other changes in the Bank and Corporation Tax Law:

- (1) required corporations to make quarterly prepayments,
  - (2) increased the minimum tax from \$100 to \$200.
  - (3) imposed a 2½-percent tax on preferential income over \$30,000,
  - (4) conformed state law to the 1969 Federal Tax Reform Act.

The payment date of the inheritance tax was changed in conformity with federal law. Tax payments formerly due 24 months after death are now due 9 months after death. The 5-percent discount for payment within six months, allowed under the old law, was eliminated.

The gift tax payment dates also were changed to conform with federal law. The tax is now due quarterly rather than annually.

The sales tax was changed to exempt candy and nonmedicated chewing gum from taxation and to

<sup>\*</sup> This and subsequent dollar amounts have been rounded. Totals, differences, and percentages have been computed from whole numbers.

impose the tax on take-out hot foods. In addition, the sales tax prepayment dates for large retailers were advanced by five days, to the 20th rather than the 25th of the second and third months of each quarterly period.

Changes in revenue attributable to the above legis-

lation are shown below.

### TABLE 2

Estimated			Tax	Legislation
	(In	millions)		

(,,	1971-72	1972-73
Personal income tax	\$371	\$324
Bank and corporation tax	53	100
Inheritance tax	-4	65
Gift tax	4	2
Sales tax	3	13
TOTALS	\$427	\$504

In addition to providing revenues to balance the current and budget year deficit, the 1971 tax program provided increases in local property tax relief programs.

### Personal Property Tax Relief

The largest program augmentation was to continue the currently authorized 30 percent exemption of the business inventory tax. In addition to providing continuation of the current percentage level, the legislation guaranteed full reimbursement to counties for the actual tax loss starting in the current year.

### Senior Citizens Property Tax Relief

Senior citizens with fixed incomes have felt the effects of rapidly accelerating local property taxes. The tax program increased the income limitation for eligibility from \$3,500 to \$10,000 and raised the percentage of tax relief to apply to the first \$7,500 of assessed value rather than the first \$5,000 of assessed value. In addition, the eligibility age was reduced from 65 to 62 years.

### Open Space

The Williamson Land Conservation Act was passed by the Legislature in 1965 to preserve agriculture and other open-space land. Under the act, local government and landowners enter into agreements to commit the land to open space which is then valued and taxed at a lesser amount.

In those counties where open-space agreements have been reached, the remaining property taxpayers have been carrying the burden of conservation. The 1971 program provided a plan to reimburse local government for a portion of the tax loss under the Williamson Act.

### **Administrative Costs**

The tax program increased administrative costs to various state departments. This included amounts for adoption of withholding, federal conformity changes, and to provide administration of the open-space program.

Due to the lateness of passage of the tax legislation, the various budgets which are affected have not been adjusted for either administrative or program expenditures. A complete presentation will be made to the fiscal committees during the 1972 session covering all changes. The following table estimates both pro-

gram and administrative expenditures provided by the tax legislation.

### TABLE 3

### Estimated Administrative and Program Expenditures 1971 Tax Legislation (Ch. 1, 1971 1st E.S.) (In millions)

Property Tax Relief:	1971–72	1972–73
Business inventory tax	\$21.0	\$90.0
Open space		13.0
Senior citizens	<b>_</b>	46.0
Administrative costs	6.4	11.5

TOTALS \_\_\_\_\_\$27.4\* \$160.5\*

### NATIONAL ECONOMIC OUTLOOK

The 1972 economic outlook used in developing the 1972–73 budget revenue forecasts is based on two major assumptions:

- 1. Phase II of the President's New Economic Policy will be effective in restraining average wage gains to 6 percent and price increases to 3.5 percent. Controls will become less effective during the second half of 1972, and will be eliminated during the first half of 1973.
- 2. The Federal Reserve will design monetary policy with the intent of accommodating economic expansion, and will permit a 7 to 9 percent growth in the money supply.

Gross national product is forecast at \$1,146 billion for 1972, a gain of 8.9 percent from the estimated 1971 level. Price increases are expected to account for 3.7 percent of the gain with real output up 4.9 percent. Personal consumption expenditures are projected at \$723.5 billion, up 8.7 percent. Particularly strong increases are expected in the service component (9.5%), as spending picks up from the unusually low growth rate of 1971. The gain in durable goods will be due in large part to higher spending for home furnishings and appliances, reflecting the sharp increase in residential building during the past year. Consumption of nondurable goods is expected to be up by nearly 8 percent.

Substantial advances are also anticipated for the investment sector. It is estimated that 1.9 million private housing units will be started next year, down from 2 million units started in 1971. Cost increases, however, will insure a further gain in the value of residential investment, forecast up 13.4 percent. Spending for producers' durable equipment will be buoyed by the 7 percent tax credit. Gains in this category will be held in check, however, until the level of the excess capacity in manufacturing is reduced. Investment in nonresidential structures will also show sharp improvement from 1971. Business inventories, which have been relatively low during most of the past year, will rise as stocks are rebuilt in anticipation of substantial increases in consumer spending. For the year, the inventory change is estimated at \$6.6 billion.

<sup>\*</sup> Actual expenditures will be reduced by approximately \$10.4 million in 1971-72 and \$10.5 million in 1972-73 because of reduced interest cost resulting from withholding of personal income tax.

It is expected that recent restraints on federal spending will be eased during the coming year. Purchases for national defense have been forecast at \$74 billion, a gain of 2.8 percent from the 1971 level. Defense purchases will, however, remain below the amount for 1968, 1969, and 1970. Nondefense spending is expected to be up 11.6 percent to \$28 billion, reflecting the federal pay increase, offset in part by gradual reduction in federal civilian employment. State and local expenditures will increase at recent rates.

The civilian labor force will rise by 1.8 percent in 1972 to an average 85,580,000. Employment will be up by 2.2 percent to 80,860,000. Unemployment is therefore expected to decline to 4,720,000, equal to 5.5 percent of the labor force. This is down substantially from the 5.9 percent average unemployment rate for 1971. Unemployment is expected to move gradually lower during the year with the unemploy-

ment rate by year end down to 5.1 percent.

Higher employment, an increase in hours worked, and average wage gains of about 6 percent will account for the rise in personal income to \$928 billion in 1972, a gain of 8.1 percent. Wages and salaries will be up 8.7 percent to \$625.7 billion, with other labor income (including fringe benefits) rising 12.2 percent to \$37.8 billion. Higher Social Security benefits will increase transfer payments. Gains in property income are expected to be restrained by rulings of the national price board. Offsetting some of the strength in wages and salaries will be the sharp increase in contributions for social insurance, reflecting the higher contribution for Social Security in effect as of January 1, 1972.

With personal taxes rising 6.5 percent to \$123.1 billion next year, disposable income will amount to \$804.9 billion. Savings are expected to rise moderately to \$61.5 billion. This will represent a savings rate of 7.6 percent, down moderately from the 1971 average

of 7.8 percent.

Corporate profits will rise sharply, reflecting the general economic improvement. It is likely that the improved sales outlook will permit operations at more efficient levels, which will help to hold unit cost increases in check during the coming year. Profits have been forecast at \$96.7 billion before taxes and \$92.1 billion with the inventory valuation adjustment.

The 90-day wage and price freeze in 1971 and subsequent rulings by the price board were effective in sharply reducing inflationary trends during the last half of 1971. It is expected that price increases will remain moderate during the first half of 1972. With gradual easing of controls, however, a resumption of moderate inflationary pressures may be expected during the latter months of the year. The consumer price

index is forecast up 3.5 percent.

The outlook for 1973 is for continued economic recovery at rates near long-term trends. Gross national product will rise to \$1,239 billion, a gain of 8.1 percent. Personal income will amount to \$1,001 billion, up 7.9 percent. Further improvement will be registered in corporate profits before taxes, which will rise to \$106.2 billion (9.8%). Inflation will continue to be a problem, however, particularly if controls are relaxed sufficiently to permit "catch-up"

price increases. The consumer price index is expected to rise by 4.5 percent that year.

### CALIFORNIA OUTLOOK

California population is projected at 20,506,000 for July 1, 1972, a rise of 241,000 (1.2%) from 1971. Natural increase will account for 180,000 of the gain. Net migration is expected to increase from the 1971 level to 40,000. The state's civilian population will also gain 20,000 from persons discharged from the military. The number of military personnel residing in the state will total 300,000 by mid-1972.

The civilian labor force is projected at 8,710,000 for 1972, an increase of 105,000 (1.2%) from the 1971 level. Civilian employment will rise by 175,000 to an average 8,180,000. As a result of this relatively strong employment growth, the unemployment rate will decline to 6.1 percent of the labor force for the year, with the average number of unemployed declining to 530,000. Major employment gains are anticipated in the service, trade, and local government sectors.

The manufacturing sector is also expected to contribute to the general economic recovery. It now appears that aerospace employment, on a downtrend since 1967, is stabilizing and that only minor reductions will occur during 1972. Aerospace employment is estimated at 435,000, compared with 440,000 last year. Nonaerospace employment, in contrast, will rise by 35 000 to average 1,065,000. Much of this growth will be in nondurable manufacturing, although employment in durables production will also be up for the year.

Construction activity is expected to continue to contribute to the recovery. It now appears that the number of housing units authorized will remain above estimated demand well into 1972. It is estimated that 220,000 units will be started during the year, down moderately from the 250,000 total for 1971. Vacancy rates for homes and apartments are rising in many areas throughout the state, however, suggesting that cutbacks in the number of units authorized may take place in various regions during the year. Building activity will be strong during the first half but may taper later in 1972 as the inventory of unsold or unrented units continues to increase. Of the 220,000 units forecast, approximately 100.000 will be single-family homes and 120,000 multiple, or apartment, units. Nonresidential building, in contrast, will improve sharply from last year's level, with permits up 12 percent for the year.

Personal income will rise to \$100.9 billion, up 8 percent from the 1971 level. The largest gains will occur in wages and salaries, other labor income, and transfer payments. Offsetting part of the increase in wages and salaries will be contributions for social insurance, which will rise by more than 14 percent during the year due to the increase in the base of contributions for Social Security which went into effect

on January 1, 1972.

Further economic improvement is forecast for 1973. Personal income will rise to \$108.7 billion, a gain of 7.7 percent. With the moderate increase forecast in the civilian labor force and the substantial employment gains, the jobless rate will decline to 5.5 percent for the year.

### ECONOMIC DATA (Dollar amounts in billions)

				1972	
National Data	Actual	Estimated	Percent change	Forecast	Percent change
Gross national product	\$974.1	\$1,052.0	8.0	\$1,146.0	8.9
Personal consumption expenditures	615.8	665.6	8.1	723.5	8.7
Durable goods Nondurable goods	88.6 264.7	102.0 280.6	15.1 6.0	110.8	8.6 7.9
Services	262.5	283.1	7.8	302.7 310.0	9.5
Gross private domestic investment	135.3	152.4	12.6	169.0	10.9
Fixed investment	132.5	148.8	12.3	162.4	9.1
Residential Nonresidential structures	30.4 36.8	40.9	34.5	46.4	13.4
Producers' durable equipment	65.4	38.6 69.2	4.9 <b>5</b> .8	41.3 74.7	7.0 7.9
Change in inventories	2.8	3.6	-	6.6	-
Net exports	3.6	1.2	_	1.5	-
Government purchases	219.4	232.7	6.1	252.0	8.3
Federal	97.2	97.1	-0.1	102.0	5.0
Defense Other	$75.4 \\ 21.9$	72.0 25.1	-4.5 14.6	74.0 28.0	2.8 11.6
State and local	122.2	135.6	11.0	150.0	10.6
Personal income	803.6	858.5	6.8	928.0	8.1
Less: personal taxes and nontax payments	115.9	115.6	-0.3	123.1	6.5
Federal	92.2	89.5	-2.9	94.0	5.0
State	23.6	26.1	10.6	29.1	11.5
Disposable income	687.8	742.9	8.0	804.9	. 8.3
Savings Savings rate (%)	54.1 7.8	58.3 7.8	7.8	61.5 7.6	5.5
Corporate profits before taxes	75.4	83.8	11.1	96.7	15.4
Consumer price index (1967 = 100)	116.3	121.3	4.3	125.5	3.5
Civilian labor force (000)	82,715	84,087	1.6	85,580	1.8
Unemployment (000)	4,088	4,963	21.4	4,720	-5.0
Unemployment rate (%)	4.9	5.9		5.5	-
Employment (000)	78,627	79,124	0.6	80,860	2,2
California Data					
Personal income	\$88.8	\$93.4	5.2	\$100.9	8.0
Wages and salaries	60.0	62.2	3.7	67.3	8.1
Other labor income	3.2 6.9	3.4 7.0	6.7 1.7	3.8 7.2	$\begin{array}{c} 11.7 \\ 2.8 \end{array}$
Proprietors' income Property income	12.2	12.7	4.3	13.4	5.2
Transfer payments	9.9	11.9	19.4	13.6	14.6
Less: Contributions for social insurance	3.4	3.8	11.1	4.3	14.4
Personal taxes	10.9	10.4	-4.2	11.6	11.5
Federal income taxState income tax	$\begin{array}{c} 9.7 \\ 1.2 \end{array}$	9.1 1.3	-6.1 12.0	$9.5 \\ 2.1$	4.2 62.7
Disposable income a	77.9	83.0	6.5	89.2	7.5
Taxable corporate profits	6.7	7.2	7.6	8.0	10.6
Civilian labor force (000)	8,555	8.605	0.6	8,710	1.2
Unemployment (000)	519	600	15.6	530	-11.7
Unemployment rate (%)	6.1	7.0	-	6.1	
Employment (000)	8,036	8,005	-0.4	8,180	2.2
Nonagricultural wage and salary workers	6,948	6,916	-0.5	7,090	2.5
Mining Construction	31 303	30 297	-3.2 -2.0	30 300	1.0
Manufacturing	1,558	1,470	-2.0 -5.6	1,500	2.0
Aerospace	497	440	-11.5	435	-1.1
Other	1,061	1,030	-2.9	1,065	3.4
Transportation—communications—utilities _ Trade	459 1,531	453 1,554	-1.3 1.5	465 1,590	2.6
Finance—insurance—real estate	374	385	2.9	400	2.3 3.9
Services	1,266	1,272	0.5	1,315	3.4
Government	1,425	1,455	2.1	1,490	2.4
Federal civilianState and local	327 1,098	318 1,137	-2.8 3.6	319 1,171	0.3 3.0
Other nonagricultural	799	802	0.4	807	0.6
Agriculture	289	287	-0.7	283	-1.4
Number of residential building permits (000)	194	250	28.9	220	-12.0
New car sales (000)	874	1,000	14.4	1,050	5.0
Taxable sales	\$43.2	<b>\$46.8</b>	8.3	\$49.9	6.5
Consumer price index (1967 = 100)	114.9	119.8	4.3	124.0	3.5

a Disposable income of California residents represents personal income less federal and state personal income taxes. Other personal tax and nontax payments have not been deducted.

NOTE: Totals may not add due to rounding. Percentages have been computed from unrounded data.

### GENERAL FUND REVENUE

Almost 80 percent of aggregate state revenue is deposited in the General Fund. This includes collections from such levies as those on sales of tangible personal property, personal income, corporate profits and insurance premiums. For the most part, these taxes are geared directly to business conditions. Hence, the estimates of revenue from each source flow directly from the economic assumptions outlined above. The influence of these economic factors upon the various tax bases and the methods used in preparing the budget revenue estimates are summarized in the following material.

### Sales and Use Tax-\$2,110,000,000

A state tax—presently at 4 percent but changing to  $3\frac{3}{4}$  percent in July 1972—is imposed on the sale or use of tangible personal property for final consumption in California. An additional one percent tax (changing to  $1\frac{1}{4}$  percent in July 1972) is collected by the state for local government, but this is not state revenue and is not included in the budget totals. Also excluded from budget totals is the  $\frac{1}{2}$  percent tax levied in Alameda, Contra Costa and San Francisco counties for support of the Bay Area Rapid Transit District.

There are many exemptions from the sales tax, the most significant of which are: food for off-premises consumption (other than hot take-out food, which became taxable January 1, 1972); gas, electricity and water supplied by utilities; prescription drugs; and, until July 1972, motor vehicle fuel for highway use. Since the tax applies only to tangible personal property, sales of all types of services are excluded, as are sales of other intangibles such as patents, copyrights and securities. Because buildings and land are real property rather than personal property, no tax is levied on the sale or rental of a new or existing building, but the materials used in construction are subject to tax.

The final consumer may be a business instead of a person, so the tax base includes products for business use such as industrial machinery and office supplies.

Three major bills enacted in 1971 affect the sales

tax in the current and budget year:

a. Senate Bill 325 provides additional local revenue for support of public transit systems by reducing the state tax rate from 4 to  $3\frac{3}{4}$  percent, increasing the county sales tax rate from 1 to  $1\frac{1}{4}$  percent, and removing the sales tax exemption on gasoline, all operative July 1, 1972. Any additional money produced by this bill which would otherwise go to the General Fund would have to be transferred to the new State Transportation Fund. However, it is estimated that the bill will result in a General Fund loss in 1972–73.

b. Assembly Bill 2109, operative January 1, 1972, exempts candy and chewing gum from the sales tax, but imposes the tax on hot take-out food such as fried chicken and pizza. The bill also changes the method of applying the auto use tax to correct a downward

bias in the old method.

c. Assembly Bill 1 (First Extraordinary Session) requires that the sales tax prepayment be made on the 20th instead of the 25th day of the second and third months of each quarter. The bill also adopts income

tax withholding which reduces take-home pay and

hence taxable sales during 1972.

Taxable sales in calendar 1971 are estimated at \$46.8 billion, up 8.3 percent from 1970. Converted to constant dollars to eliminate the effects of inflation, 1971 sales were up 5.2 percent. Of the taxable sales components shown in Table 4 the strongest were the automotive and building materials groups. A 15.6 percent increase for the auto group resulted from the combined effects of gains following the 1970 auto strike, removal of the auto excise tax, and general economic recovery. Building materials sales, up 8.8 percent—almost twice the long-term average growth—reflect the recent housing boom.

In 1972, taxable sales are estimated at \$49.9 billion, up 6.5 percent. Sales of wholesalers and manufacturers are expected to increase almost 9 percent in line with anticipated high investment in plant and equipment. The other three groups—auto, building and other retail—will increase in line with the economic recovery. Price increases will be smaller than in 1971, and will represent about 40 percent of the increase in total taxable sales.

Sales trends in 1973 will be mixed, with the retail stores and the manufacturing and wholesaling groups making slightly above-average gains while the auto and building groups grow at significantly lower-than-average rates. Total taxable sales are estimated at \$53 billion, up 6.3 percent. Prices will be rising faster, accounting for more than half of the increase in total sales.

Taxable sales are estimated by two methods. One method utilizes a multiple regression equation to estimate total sales in constant dollars using as dependent variables personal disposable income in constant dollars, the number of wage and salary workers in manufacturing and construction, the number of new vehicles sold and the savings rate. Sales in constant dollars are then converted to current dollars by application of the appropriate price factor. A second estimate is made by classifying taxable sales into 15 homogeneous groups, each of which is related to an economic factor. The two estimates are then reconciled. The final results are shown in Table 4.

### TABLE 4

### Taxable Sales in California (In millions)

	1970 (Actual)	1971 (Est.)	Percent change	1972 (Est.)	Percent change	1973 (Est.)	Percent change
Retail stores except auto and building Motor vehicle dealers.	\$20,369	\$21,819	7.1	\$23,236	6.5	\$24,763	6.6
auto parts, etc Building material sales	6,821	7,886	15.6	8,243	4.5	8,559	3.8
including contractors Manufacturing, whole-	4,362	4,744	8.8	4,956	4.5	5,085	2.6
saling and mist	11,671	12,361	5.9	13,435	8.7	14,593	8.6
Totals	\$43,223	\$46.810	8.3	\$49,870	6.5	\$53,000	6.3
Note: These figures do (candy, hot food a							

Sales and use tax receipts, including revenue attributable to audit activities of the Board of Equalization, and including the effects of 1971 legislation described above, are shown below.

1970–71	(Actual)	\$1,808,052,000
	(Estimated)	
1972-73	(Estimated)	\$2,110,000,000

### Personal Income Tax-\$1,880,000,000

The personal income tax is the second largest source of state revenue, exceeded only by the sales and use tax. The income tax is based on the amount of taxable income received by taxpayers, computed by deducting from income either all itemized deductions or the standard deduction of \$1,000 for single or \$2,000 for joint returns. Progressive tax rates ranging from 1 percent on the first \$2,000 taxable income for single returns (\$4,000 for joint returns) to 10 percent on taxable income in excess of \$14,000 for single returns (\$28,000 for joint returns) are applied to yield the computed tax. A credit of \$25 or \$50 for single or joint returns, respectively, plus \$8 for each dependent, is allowed against the computed tax to derive the taxpayer's actual liability.

Income tax revenue is determined largely by the amount and type of income received by Californians. The revenue attributable to each type of income fluctuates from year to year in response to changes in the amount of income received from each source, and changes in income distribution. An example of this fluctuation for 1969 and 1970 is shown below.

### TABLE 5

Percent of	Tax	Attributa	ble
to Each	Туре	of Incom	ıe

Type of Income	1969	1970
Wages and salaries	62	67
Business	15	15
Capital gains	8	5
Dividends	7	5
Interest	4	4
Rent	$ar{2}$	2
Miscellaneous	2	2
Total	100	100

Income from the various sources is distributed differently among income brackets as is illustrated below for wages and salaries and capital gains. A comparable loss or gain in income from wages and salaries and capital gains does not have the same impact on state income tax revenues. Since capital gains income is skewed towards the higher income brackets, higher tax rates are applied and the effect on state revenue is substantially larger than a comparable loss or gain in wage and salary income.

### TABLE 6 Percent of Tax Attributable to Wages and Salaries and Capital Gains by Income Class, 1970

	Wages and	Capital
Adjusted Gross Income	Salaries	Gains
\$0-\$9,999	11	2
10,000-24,999	61	11
25.000-49.999	19	16
50,000-99,999	6	18
100,000 and over	3	53
Total	100	100

The revenue from each type of income is estimated separately. The estimates of tax attributable to wages and salaries, dividends, interest, and business income are derived from equations relating receipts from each tax to its personal income component. Estimated receipts from rental and miscellaneous income are based on an analysis of past trends. The tax attributable to capital gains is estimated by two methods. The first employs an equation using the value and turnover of stocks listed on the New York Stock Exchange.

The second uses an equation relating tax receipts to net capital gains income by holding periods. The total estimated tax from all income sources plus audit assessments yields total income year assessments.

Assembly Bill 1, enacted at the 1971 Extraordinary Session revises the Personal Income Tax Law as follows:

- (1) initiates a system of withholding and declarations, effective January 1, 1972;
- (2) imposes a  $2\frac{1}{2}$  percent income tax on preferential income, effective with the 1971 income year:
- (3) eliminates the military exclusion from gross income, except for extended active duty and combat pay, effective with the 1971 income year:
- (4) changes the taxation of capital gains by revising the amount excluded from income, effective 1972 income year;
- (5) adds an 11 percent tax rate on taxable income over \$15,500 for single and \$31,000 for joint returns, effective 1973 income year;
- (6) eliminates the accrual accounting concept for the income tax, effective January 1, 1972; and
- (7) allows a 20 percent tax credit (forgiveness) against 1971 "net tax" as defined in the tax bill.

Withholding requires that the employer withhold and remit to the state specific amounts from paychecks to be applied against the employee's state income tax liability. Large employers (those withholding more than \$100 income tax per month) will remit monthly. Small employers will remit quarterly.

A quarterly declaration of estimated tax is also required of taxpayers whose additional tax due will be more than \$100. The amount declared will be due April 15, June 15, September 15, and January 15.

A special tax credit of 20 percent of the amount of net tax will be allowed against 1971 liabilities fully paid by April 15, 1972. This credit will not apply to estates or trusts. The net tax to which the 20 percent credit will be applied is the computed tax (excluding net capital gains), less retirement income credits, personal exemption credits and credits for taxes paid out of state.

The development of the current and budget year income tax revenue estimates was based on the projections of total income year assessments. These total assessments were converted to the withholding base by adjusting for increased compliance, accelerated collections, and phase-out of certain audit activities.

Based on the experience of other states, the withholding base of calendar year assessments was allocated among the various methods of collection (withholding, declarations, miscellaneous, and refunds) and distributed monthly. An additional adjustment to 1971–72 and 1972–73 cash collections was made to reflect the late passage of AB 1 which is expected to cause a shift from amounts which would have been withheld in early 1972 to final payments in April, 1973, due to the inability of some employers to implement the withholding system by January 1, 1972.

The total 1971-72 and 1972-73 collections were then adjusted to reflect the other provisions of AB 1 including the tax credit in 1971-72 which is estimated to be \$235 million and the June 30, 1971, accrual of \$45 million. The total revenues for the years covered in this budget are as follows:

1970-71	(Actual)	\$1,264,383,000
1971-72	(Estimated)	\$1,747,000,000
1972-73	(Estimated)	1,880,000,000

### Bank and Corporation Tax-\$770,000,000

Bank and corporation revenue collections in the current and budget years depend upon corporate profits from operations in California during 1971 and 1972. Income for 1971 has been estimated from responses to a stratified sample of 887 corporations doing business in 59 industry classifications representing almost 45 percent of the tax base. The sample indicated that all major industry groups except services were up from their depressed 1970 levels.

Two methods were used to estimate California corporate income for 1972. One involved an analysis of the ratios of California to United States corporate profits in the postwar period. In general, taxable corporate income in this state varies less from year to year than corporate profits nationally because a larger percentage of such income in California is outside the volatile manufacturing industries. The second method involved the estimates of profits by major industry groups based on the economic outlook for California and the nation. Results from the two methods were then reconciled.

California corporate income is estimated to increase 7.6 percent during 1971 and 10.6 percent during 1972, compared to national increases of 11.1 and 15.4 percent during 1971 and 1972, respectively. These growth rates result in a decrease in the ratio of California to United States corporate profits which is typical of years in which the growth in profits is strong nationally. The estimated income by major industry is shown in the following table:

TABLE 7

Taxable Corporate Income in California
(In millions)

Industry	Preliminary 1970	Estmated 1971	Percent change	Estimated 1972	Percent change
Agriculture	. \$76	\$76	-	\$80	5.3
Mining and oil production	. 239	288	20.5	310	7.6
Construction	. 236	238	0.8	230	-3.4
Manufacturing	2,248	2,580	14.8	2,987	15.8
Trade	1,539	1,563	1.6	1,680	7.5
Service	. 423	397	-6.2	427	7.6
Financials (subject to bank tax)	621	656	5.6	736	12.2
Real estate and other financials_	486	518	6.6	550	6.2
Utilities	. 852	918	7.7	1,000	8.9
Totals	\$6,720	\$7,234	7.6	\$8,000	10.6

Assembly Bill 1, enacted during the 1971 Extraordinary Session, contained the following revisions:

- 1. raised the tax rate on corporate income from 7 to 7.6 percent beginning with income earned in 1972:
- 2. imposed a 2.5 percent tax on preference income beginning with 1971;
- 3. increased the minimum tax from \$100 to \$200;
- 4. changed the current estimated tax payment schedule to a quarterly payment system conforming California to federal law;
- 5. reduced the depletion deduction from 27.5 percent to 22.5 percent;

6. conformed other provisions of California law to federal law.

The combined effects of these changes will result in an estimated increase of \$53 million in revenue during 1971-72 and \$100 million in 1972-73.

After adding payments attributable to audit activities of the Franchise Tax Board and adjusting for legislation, total revenue is estimated as follows:

1970-71	(Actual)	\$532.091,000
	(Estimated)	
1972-73	(Estimated)	\$770,000,000

### Inheritance and Gift Taxes-\$291,100,000

The inheritance tax is imposed on the right to inherit property or succeed to property transferred in contemplation of death. Any other donative transfer of property by an individual is subject to the gift tax. Both laws vary the rate of taxation according to the size of the transfer and the relationship of the recipient to the decedent or donor. An exemption is granted to each class of donee, and this likewise decreases as the relationship recedes. State revenue from these taxes is therefore contingent upon the number of transfers made during the year, the value of estates or gifts at the time of death or transfer, and the relationship between the decedent or donor and the beneficiary.

Real estate and common stock constitute the major components of bequests subject to inheritance and gift taxes. The inheritance tax estimate is based on a weighted average of the Standard and Poor's 425 stock index plus assessed property valuations, adjusted for the lag between deaths and tax payments. The estimate of the gift tax is based on the unweighted Standard and Poor's index. After setbacks in the third and fourth quarters of 1971, the stock market is expected to rise throughout most of 1972 and 1973.

Interest rates have historically influenced inheritance tax revenue because the law allowed a 5 percent discount for payments made within six months of death and imposed only 6 percent simple interest on payments not made within two years. Assembly Bill 1 abolished the discount for early payment and shortened the delinquency period from 24 months to 9 months, in conformity with the federal estate tax. Because there is no penalty for failure to pay on time and only a 6 percent annual interest charge on delinquent accounts, it is anticipated that delinquencies will rise under the shortened payment period in those cases where it is more desirable to pay the 6 percent interest than liquidate estates yielding a higher rate of return.

Inheritance tax collections grew substantially in 1970-71, the apparent result of three developments. First, improved economic conditions during the year prompted payment of many heretofore delinquent accounts which had been deferred the previous year when the economy was depressed. Similarly, there was a greater tendency for beneficiaries to pay the tax when it became due. Finally, there was a marked increase in the amount of discounted payments made.

The latter two factors will have a depressing effect on revenue in the current year since many of those payments made during 1970-71 would otherwise accumulate in 1971-72. The recent law change will result in a deferment from 1971-72 to 1972-73 of approximately \$4 million in payments which would otherwise have been discounted. However, the shortened delinquency period will raise revenue in the

budget year by \$65 million.

Legislation enacted in 1971 also conformed the Gift Tax Law to its federal counterpart, making payments due two months after the close of the calendar quarter in which the gift was given rather than April 15 of the year following delivery of the gift. This will inflate gift tax collections in the current year since the tax on gifts for 1½ years will be due. In the budget year there will be only a residual effect of slightly higher average gift values as the tax base is pushed ahead one-half year, and a minor pickup from those who might otherwise fail to pay the tax. It is anticipated that a stronger economy will encourage gift-giving and that the average value of gifts will also increase, resulting in a strong growth in this tax during 1972–73.

### (In thousands)

	Actual	Estimated	Estimated
	1970-71	1971-72	1972-73
Inheritance tax	\$173.789	\$194,000	\$274,000
Gift tax	11,910	17,000	17,100
Totals	<b>\$1</b> 85,699	\$211,000	\$291,100

### Cigarette Tax—\$248,300,000

A 10-cent-per-pack excise tax is levied on distribution of cigarettes in California. Seven cents of the tax is deposited in the State General Fund and three

cents is apportioned to cities and counties.

A projection of the per capita consumption trend is the basis for the cigarette tax estimate. A continuing decline in per capita cigarette consumption began in 1964 with the publication of the Surgeon General's report. This declining trend was further accelerated in 1967 when a two-stage tax increase in the latter part of that year raised the tax from three cents to ten cents per pack. The year 1970 marks a deceleration in the declining trend of per capita consumption and an increase in total cigarette consumption. This new trend is consistent with data collected through the third quarter of the 1971 calendar year and is assumed to continue during the budget period. It appears that the elimination of cigarette advertising on television has not affected the level of smoking.

Per capita consumption is estimated at 173.1 packs for 1971, and at 172.0 and 171.0 packs for 1972 and 1973, respectively. Revenues based upon these factors are as follows:

### (in thousands)

General Fund Special fund	Actual 1970-71 \$168,065 71,655	Estimated 1971-72 \$171,600 73,500	Estimated 1972–73 \$173,800 74,500
Total	\$239,721	\$245,100	\$248,300

### Insurance Tax-\$187,000,000

Insurance companies operating in California are taxed in accordance with the amount of business they do in the state. The tax on most lines of insurance is 2.35 percent of the amount of gross premiums written, less return premiums and dividends. Ocean marine, surplus line and title insurance are subject to

different provisions and rates. Pension and profitsharing plans are taxed at 0.5 percent of net earned premiums. The basic tax rate is set by the Constitution, which provides that this tax shall be in lieu of most other state and local taxes.

All insurers with over \$5,000 tax liability in the previous calendar year are required to make three "prepayments", each representing 26.5 percent of the previous year's liability, on May 15, August 15, and November 15; the remainder of the tax is due April 1 of the following year.

Insurance companies are permitted to deduct from their premiums tax the amount of real estate property tax paid to local governments on their home office in California. An insurer organized under California law prior to 1967 is allowed to deduct the entire amount of tax on its principal office building, regardless of the amount of space utilized by the company itself. Any other insurer may only deduct that part of its property tax related to insurance business, measured by the percent of total floor space in the principal office building used by the insurance company. This credit, taken by one hundred thirty-five companies, reduced their total 1970 state tax liability by \$11.673,670. It is projected that the principal office deduction will reach \$13.5 million in 1971-72 and \$15.5 million in the budget year.

Estimates of premiums written during 1971 and 1972 are based on replies to a questionnaire by 86 insurance companies representing almost 70 percent of all taxable premiums written in California during 1970. These companies supplied their projections of percentage change in the volume of premiums to be written for specific major lines and for total premiums. Because of the President's economic controls and earlier increases in premium rates, no significant rate changes are anticipated during the period covered by this budget.

### (In thousands)

	Actual 1970–71	Estimated 1971-72	Estimated 1972-73
Premiums written in Cali-			
fornia			
Insurance tax revenue	\$158,423	\$171,000	\$187,000

### Alcoholic Beverage Taxes—\$139,000,000

Excise taxes levied on the distribution of alcoholic beverages range from one cent per gallon on dry wine to \$2.00 per gallon on distilled spirits. These excise taxes on distilled spirits, beer and wine, along with the fees received from licenses required for the manufacture and sale of alcoholic beverages, constitute the main revenue sources from alcoholic beverages.

Adult per capita consumption of alcoholic beverages has been steadily increasing, with the exception of sweet wine. The consumption of distilled spirits substantially increased in the latter part of the 1971 calendar year relative to the same period in 1970. This increase is similar to the rate of growth experienced in all past years except 1970–71. A buildup of beer inventories in May and June of 1973 is assumed in anticipation of a strike. This will inflate the 1972–73 tax receipts although it should not change calendar year consumption. Both dry and sparkling wines experienced great gains in popularity in 1969 and 1970, but the rate of growth in their consumption appears to have slackened somewhat in 1971.

Per capita consumption of each type of beverage is shown below.

### Apparent Consumption Adult Per Capita (In gallons)

	1970	1971	1972	1973
Distilled spirits	3.71	3.78	3.86	3.94
Beer		29.72	30.40	31.40
Dry wine	3.43	3.84	4.20	4.50
Sweet wine	1.08	1.05	0.99	0.93
Sparkling wine	0.33	0.35	0.37	0.40

Revenues from liquor license fees are divided between the General Fund and the Alcohol Beverage Control Fund. The General Fund receives all fees for new licenses, service charges, fees to enforce fair trade regulations and all license transfer fees. All other fees, mainly license renewal fees, accrue to the Alcohol Beverage Control Fund. Ten percent of this fund is transferred to the General Fund; the remainder is apportioned to cities and counties.

Estimated revenues for the current and budget years compared with the actual revenue for 1970-71 are shown below.

TABLE 8

Alcoholic Beverage Taxes and Fees
(In thousands)

	Actual 1970–71	Estimated 1971-72	Estimated 1972-73
Distilled spirits	\$90,765	\$95,500	\$100,000
Beer	400,000	14,876	16,620
Dry wine	15 701 6	504	553
Sweet wine	15,791 *	252	244
Sparkling wine	<b>)</b>	1,368	1,483
Total, Excise Taxes	\$106,555	\$112,500	\$118,900
Liquor License Fees	20,606	19,800	20,100
Total, Taxes and Fees	\$127,161	\$132,300	\$139,000
General Fund	\$113,552	\$119,500	\$126,000
Special Fund	\$13,609	\$12,800	\$13,000
* Cannot be separated due to credits and	adjustments.		

### Horse Racing Tax-\$71,700,000

The major portion of horse racing revenue is derived from a license fee on parimutuel wagering. In addition to these collections, the state receives revenue from breakage (the odd cents not paid to winning ticket holders), unclaimed parimutuel tickets, occupational licenses, fines and penalties, and other miscellaneous receipts.

The estimate of horse racing revenue is based on a projection of the total handle (amount wagered) at each track, taking into consideration past experience, law changes, and revisions in the racing calendar. All major sources of revenue are projected by track to yield total horse racing revenue. The total revenue is then distributed among three funds: the Wildlife Restoration Fund receives \$750,000 in license fees each fiscal year; the Fair and Exposition Fund retains a certain portion of license fees and occupational licenses based on their projected needs; and the remaining revenue is deposited in the State General Fund.

Legislation enacted in 1970 increased the parimutuel pool takeout from 14 percent to 15.25 percent while revising the rate schedule and its application. The revenue attributable to the increased takeout was allocated solely to the tracks and horsemen, with none of the increase going to the state.

Prior to this law change, the state license fee rates were based on a progressive schedule ranging from 5 percent of the first \$10 million handle to 8 percent of the handle in excess of \$125 million. The current license fee rates range from 6.10 percent of the first \$20 million handle to 7.45 percent if the total handle is in excess of \$180 million. The current application of these rates is as follows: a base rate of 6.10 percent is applied to the first \$20 million handled and one other rate, based on the total handle, is applied to that amount over \$20 million. Any association which handles less than \$20 million applies only one license fee rate—5.5 percent.

When the 1970 law became effective, there were three meets in progress. The California Horse Racing Board ruled that each of these three meets would be split and treated as two separate meets for purposes of the application of the new rates. This ruling, as opposed to treating these meets as continuous, would have resulted in a state revenue loss of \$565,000 in 1970–71. A subsequent California Horse Racing Board decision offset a portion of this potential revenue loss by providing additional racing days which generated \$290,000 in 1970–71. The net impact of these rulings on 1970–71 state horse racing revenue was a loss of \$275,000 (\$265,000 in breakage and \$10,000 in license fees).

Assembly Bill 205 enacted in 1971 made the following changes in the horse racing law:

- (1) the parimutuel takeout was increased from 15.25 percent to 15.75 percent with all the increased revenue allocated to the tracks and horsemen;
- (2) the geographical breakdown of California used for racing week allocation was changed from a two-region to a three-zone concept;
- (3) nine additional weeks of quarter horse racing and nine new weeks of harness racing were granted to the newly-formed Southern Zone effective as soon as possible, as well as two additional weeks of harness racing in the new Central Zone beginning in 1974;
- (4) the December 31, 1972 expiration date for the exempt breakage provision was eliminated. This allows tracks with less than \$125 million total handle to retain one-half of the breakage on the first \$24 million handle and all of the breakage on the handle between \$24 and \$50 million to be used for purse supplementation;
- (5) the local property tax on racehorses was changed by substituting an annual fee schedule for the ad valorem tax.

The projected fiscal impact of this 1971 legislation assumes that the nine additional weeks of quarter horse racing and the nine new weeks of harness racing will be scheduled in the first half of 1973. The impact on 1972–73 revenues of these additional weeks of racing will be a gain of about \$1.7 million while the extension of the exempt breakage provision results in a \$1.2 million revenue loss since that amount would have otherwise become state revenue. The net effect in 1972–73 of this legislation will therefore be a \$500,000 revenue gain. Total parimutuel handle for all tracks, total receipts from horse racing, and the final distribution of this money among the various funds is shown in Table 9.

TABLE 9

### Sources and Distribution of Horse Racing Revenue (In thousands)

	Actual 1970–71	Estimated 1971–72	Estimated 1972–73
Total handle	\$882,830	\$914.000	\$981,600
License fees	59,222	$61,\!575$	65.700
BreakageUnclaimed parimutuel	4,613	5,075	5,125
tickets ————————————————————————————————————	479	525	550
miscellaneous	287	300	325
Total Revenue	\$64,601	\$67,475	\$71,700
General Fund	\$55,850	\$59,206	\$62,784
Fair and Exposition Fund Wildlife Restoration Fund	8,001 750	7,519 750	$8,166 \\ 750$

### Private Car Tax—\$5,300,000

Railroad cars owned by companies other than railroads are taxed by the state rather than by local governments. The statewide property tax rate during the preceding fiscal year is applied against assessed valuations as determined by the State Board of Equalization.

Based upon assessed value of \$44.2 million and a rate of \$10.85 per \$100 of assessed value, current year collections will total \$4,796,000. Actual collections in 1970–71 were \$4,148,000. Collections for 1972–73 are estimated at \$5,300,000.

### Nontax Receipts—\$171,213,000

Miscellaneous receipts for the General Fund will total \$171,213,000 in the budget year, a decrease of \$7,565,000 from the corresponding figure for the current period and down \$21,585,000 from 1970-71. These reductions are attributable primarily to the treatment of many departmental revenues as reimbursements. Miscellaneous revenue is made up of five categories: medical aid reimbursements—\$49.7 million; interest income—\$45.8 million; pay patients and county board charges at hospitals—\$21.2 million; traffic penalties—\$16.4 million; and all other—primarily charges for certain services to business and individuals and sales of property—\$38.2 million.

### SPECIAL FUND REVENUE

Provisions of the State Constitution, codes and statutes restrict the use of certain revenue for specified purposes, and these receipts are separately accounted for in various special funds. In general, they comprise three categories of income: (1) receipts from broad tax levies which are allocated to specified functions; (2) charges for special services to specific groups; and (3) rentals, royalties and other receipts earmarked for particular purposes. Motor vehicle taxes and fees illustrate the first of these classes. License fees for the regulation of business and professions are typical of the second. Oil and gas royalties, now assigned primarily to capital outlay for public higher education and water development, are examples of the third. In addition, interest received by the investment of special fund money is deposited in the fund for which the investments are held.

Motor vehicle taxes and fees account for almost 84 percent of all special fund revenue. Principal sources

of this income are the motor vehicle fuel taxes, registration and weight fees, vehicle license fees, and the transportation tax. During the 1972–73 fiscal year, \$1,331,428,000 will be derived from the ownership or operation of motor vehicles. Approximately \$585 million of this revenue will be returned to local governments. The remainder, except for the transfer of \$20,000,000 from the Motor Vehicle Transportation Tax Fund to the State School Fund, will be available for various activities related to state highways and services to vehicle owners.

Thirty percent of the cigarette tax revenue is now deposited in a special fund for distribution to the cities and counties. In 1972–73, receipts for this fund are estimated at \$74.5 million.

Charges for special services to industry, business and the professions, together with hunting, fishing and liquor licenses and other regulatory fees, will amount to \$68.2 million in 1972–73. Rents, royalties and other miscellaneous receipts are estimated to total \$95.2 million. Interest from investments held for the various special funds is projected at \$12.5 million.

### Motor Vehicle Fuel Taxes—\$731,400,000

Taxes levied on gasoline, diesel fuel and liquefied petroleum gas constitute the major source of California's highway financing. Gasoline tax revenues are estimated on the basis of average gasoline consumption per vehicle; 655 gallons is projected for the current year and 653 gallons for the budget year. Average consumption per vehicle was 657 gallons in 1970–71.

The factors responsible for the decline in average per vehicle gasoline consumption are:

- (1) the appearance of more small economy cars on the highways,
  - (2) the increase of multi-vehicle families,
  - (3) rising parking rates in downtown areas, and
- (4) the greater availability of attractive rapid transit facilities.

Estimated tax receipts are computed by applying the seven-cent per gallon tax rate to total gallonage.

Highway consumption of diesel fuel is estimated by projecting a trend based on past tax collections with adjustments made for changes in economic activity. The tax rate is seven cents per gallon on diesel fuel, except for local transit systems which pay one cent per gallon. It is anticipated that revenues derived from the six cent per gallon tax on LPG will be minor since 1971 legislation has exempted LPG when used in vehicles meeting the State Air Resources Board emission standards.

Actual and estimated revenues from motor vehicle fuel taxes are shown below.

### (In thousands)

Gasoline Diesel and LPG	Actual 1970–71 \$634,134 40,501	Estimated 1971-72 \$659,615 44,800	Estimated 1972-73 \$684,400 47,000
Total	\$674,635	\$704,415	\$731,400

### Motor Vehicle Fees-\$569,350,000

Registration, weight and vehicle license fees account for the major portion of motor vehicle fee receipts. Drivers' license fees and various other charges related to vehicle operation make up the balance. New vehicle sales in California are expected to exceed the record 1971 level in both 1972 and 1973. This assumption is based on the elimination of vehicle excise taxes effective August 15, 1971, the prevailing wage and price controls, an optimistic national forecast of new vehicle sales, and the general economic recovery. New vehicle sales are estimated at 1,495,000 in 1972 as compared to 1,400,000 estimated for 1971. In 1973 new vehicle sales are projected to total 1,470,000. Allowing for scrappage and vehicles entering and leaving California, total fee-paid registrations at yearend are estimated at 14,256,000 for 1971, 14,857,000 for 1972, and 15,-427,000 for 1973. Based on these estimates, registration and weight fees are anticipated to amount to \$264,600,000 in the current year and \$275,000,000 in the budget year.

A license fee is imposed for the privilege of operating a vehicle upon public highways in this state. It is computed at 2 percent of the market value of the vehicle (a decreasing percentage of the base price exclusive of optional equipment in the vehicle), and is assessed on all vehicles subject to registration under the Vehicle Code. Revenue, therefore, is contingent upon the number of vehicles in the state, the age distribution of those vehicles, and their original base price. New car values are increasing and the trend is expected to continue. Because new vehicle sales were lower than expected during the latter half of 1970. renewal fees for 1971 were somewhat depressed. However, new car sales in early 1971 partially compensated for that revenue loss. These increased sales in 1971 will, in turn, result in higher renewal fees in 1972. Similarly, substantial increases in trailer coach and mobile home sales during 1971 will generate greater renewal fee revenue in the budget year.

Total revenues from motor vehiele fees are shown below.

### (In millions)

	Actual	Estimated	Estimated
	1970–71	1971-72	1972-73
Vehicle license fees	\$237.5	\$256.6	\$270.8
Registration and weight			·
fees	254.1	264.6	275.0
Drivers' licenses fees	12.6	12.7	12.9
Other	9.0	10.3	10.7
Total	\$513.2	\$544.2	\$569.4

### Transportation Tax—\$29,400,000

The motor vehicle transportation license tax, or "truck tax", is imposed on vehicle operators who transport persons or property for remuneration. The rate of tax is 1.5 percent of the operator's gross receipts.

Among those excluded from paying the truck tax are school bus operators, those who drive fellow employes to work for compensation and those who haul their own property. Receipts derived from operations performed within a city or between two or more adjacent cities are also exempt.

The amount of revenue accrued from this tax is closely correlated with the prevailing economic conditions and the magnitude of diesel fuel distributions. The transportation tax produced \$25,456,000 in 1970–71 and is estimated to yield \$27,300,000 and \$29,400,000 for the current and budget years, respectively. The State School Fund was apportioned \$18 million and \$20 million in 1970–71 and 1971–72, respectively; and \$20 million is proposed to be diverted in the budget year.

### Other Special Fund Revenue-\$161,003,000

For the most part, nontax revenue flowing to special funds represents regulatory fees on business and professions, charges for special services to designated groups and royalties from oil and gas production and state-owned land.

For the budget year, these revenues will total \$161,003,000 compared with \$113,785,000 in the current year. Actual receipts in 1970-71 were \$125,767,000.

### SUMMARY OF STATE POPULATION, INCOME OF CALIFORNIA RESIDENTS, AND STATE TAX COLLECTIONS

Excluding Departmental, Interest and Miscellaneous Revenue

		Estimated			State	Tax Collec	tions				<b>T</b>	0100	
	Population July 1st	Personal	Income		General Fund	Special Funds	Total	Tax	res per Capi	ta		es per \$100 rsonal Incon	
Year	(Thou- sands)	Income (Millions)	per Capita	Fiscal Year	(Thou- sands)	(Thou- sands)	(Thou- sands)	General Fund	Special Funds	Total	General Fund	Special Funds	Total
CASH BASIS											*		
1950	10,643	\$19,774	\$1,858	1950-51	\$647,992	\$295,542	\$943,534	\$59.52	\$27.15	\$86.67	\$3.28	\$1.49	\$4.77
1951	11,130	22,756	2,045	1951-52	709,245	322,699	1,031,944	62.30	28.35	90.65	3.11	1.42	4.53
1952	11,638	25,214	2,167	1952-53	754,048	346,480	1,100,528	63.53	29.19	92.72	2.99	1.37	4.36
1953	12,101	27,002	2,231	1953-54	772,250	442,538	1,214,788	62.74	35.95	98.69	2.86	1.64	4.50
1954	12,517	27,682	2,212	1954-55	831,899	467,814	1,299,713	65.19	36.66	101.85	3.01	1.69	4.70
1955	13,004	30,378	2,336	1955-56	972,828	524,765	1,497,593	73.18	39.48	112.66	3.20	1.73	4.93
1956	13,581	33,177	2,443	1956-57	1,042,773	554,713	1,597,486	75.13	39.97	115.10	3.14	1.67	4.81
1957	14,177	35,497	2,504	1957-58	1,069,809	572,490	1,642,299	73.99	39.59	113.58	3.01	1.61	4.62
1958	14,741	37,361	2,534	1958-59	1,170,890	594,587	1,765,477	77.98	39.60	117.58	3.13	1.59	4.72
1959	15,288	41,010	2,682	1959-60	1,443,296	633,492	2,076,788	92.66	40.67	133.33	3.52	1.54	5.06
1960	15,863	42,980	2,709	1960-61	1,537,347	656,815	2,194,162	95.39	40.76	136.15	3.58	1.53	5.11
1961	16,366	45,678	2,791	1961-62	1,645,300	669,267	2,314,567	98.90	40.23	139.13	3.60	1.47	5.07
1962	16,905	49,051	2,902	1962-63	1,791,038	711,185	2,502,223	104.06	41.32	145.39	3.65	1.45	5.10
1963	17,517	52,615	3,004	1963-64		813,937	2,871,900	115.82	45.81	161.63	3.91	1.55	5.46
1964	18,020	56,570	3,139	1964-65	2,161,157	931,958	3,093,115	118.39	51.05	169.44	3.82	1.65	5.47
1965	18,490	60,234	3,258	1965-66	2,398,958	971,625	3,370,582	128.49	52.04	180.53	3.98	, 1.61	5.60
1966	18,850	65,156	3,457	1966-67	2,422,275	993,277	3,415,552	127.12	52.17	179.38	3.72	1.52	5.24
ACCRUAL BASIS													
1966	18,850	65,156	3,457	1966-67		1,091,387	3,838,275	144.26	57.32	201.58	4.22	1.68	5.89
1967	19,232	69,936	3,636	1967-68		1,118,311	4,675,921	183.68	57.74	241.41	5.09	1.60	6.69
1968	19,506	76,867	3,941	1968-69		1,210,229	5,172,748	201.54	61.55	263.08	5.16	1.57	6.73
1969	19,817	83,192	4,198	1969-70		1,283,258	5,408,865	207.18	64.44	271.62	4.96	1.54	6.50
1970	20,009	88,825	4,439	1970-71		1,308,150	5,598,413	213.05	64.96	278.02	4.83	1.47	6.30
1971	20,265	93,427	4,610	1971-72†	5,130,102	1,372,840	6,502,942	251.65	67.34	319.00	5.49	1.47	6.96
1972	20,506	100,885	4,920	1972-73 +	5,605,984	1,429,044	7,035,028	271.69	69.26	340.94	5.56	1.42	6.97

† Estimated.
Population estimated by the State Department of Finance.

Personal income, 1950 through 1970, from estimates by the Office of Business Economics, United States Department of Commerce. Data for 1971 and 1972 are estimates by the State Department of Finance.

Taxes per capita computed on the basis of population January 1st, the midpoint of the fiscal year.

Note: Data are shown for 1966-67 on both bases in order to facilitate long-term comparisons.

TABLE 11 COMPARATIVE YIELD OF STATE TAXES, 1950-51 THROUGH 1972-73 (In Thousands)

Year Ending June 30	Sales and Use		Bank and Corporation <sup>1</sup>		Inheritance and Gift	Insurance	Distilled Spirits	Horse Racing	Liquor License Fees	Beer and Wine	Private Car	Motor Vehicle Fnel <sup>2</sup>	Motor Vehicle Fees	Transpor- tation Tax
CASH BASIS	3													
1951	\$399,243	\$75,891	\$98,245	_	\$23,671	\$23,447	\$16,094	\$16,368	\$8,106	\$3,796	\$891	\$149,907	\$117,680	\$10,194
1952	417,693	90,914	120,127	-	29,165	25,732	14,430	20,042	7,828	3,730	1,089	162,076	127,809	11,312
1953	460,110	94,551	119,127	-	23,474	29,171	15,615	20,960	8,687	4,069	1,127	170,871	139,406	13,359
1954	465,051	96,169	125,026	-	24,112	34,325	15,546	22,512	8,586	3,989	1,222	234,395	170,519	13,337
1955	492,917	106,738	133,661	-	30,250	38,501	16,108	22,838	9,213	4,172	1,301	244,588	185,505	13,921
1956	564,225	127,816	157,088	-	36,334	39,104	33,970	24,891	9,638	4,373	1,330	273,086	209,817	15,921
1957	600,102	143,290	167,431	-	38,540	42,529	34,902	26,695	10,616	4,361	1.424	291,364	219,266	16,968
1958	605,238	149,269	173,599	-	45,331	46,037	33,963	25,948	11,297	4,595	1,590	302,671	227,153	15,609
1959	631,514	160,553	174,003	-	44,943	105,832	36,685	28,087	11,962	5,129	1,712	317,709	236,177	11,17
1960	709,648	246,585	240,735	\$64,805	47,189	61,530	40,369	36,288	12,379	10,016	1,613	336,786	256,303	12,543
1961	711,702	269,103	272,718	66,024	76,803	66,745	41,274	37,260	13,044	9,704	1,668	350,801	264,842	12,47
1962	749,523	299,034	290,870	66,054	76,012	71,699	45,418	38,311	13,533	10,495	1,753	363,771	274,906	13,18
1963	813,465	322,012	311,251	70,194	92,432	77,970	48,152	41,663	13,939	10,659	1,808	386,215	298,356	14,100
1964	876,944	392,341	405,431	71,822	102,195	107,200	60,145	43,442	14,274	11,299	1,846	450,195	329,584	15,18
1965	939,649	410,109	416,247	74,477	114,464	95,199	53,915	47,560	14,596	12,422	2,017	542,822	353,607	16,030
1966		454,625	435,597	74,578	123,781	100,854	56,718	47,443	14,878	12,606	2,205	551,108	382,656	17,38
1967	1,053,249	500,086	453,292	75,597	114,413	107,186	59,564	49,311	14,954	13,751	2,477	548,287	405,061	18,323
ACCRUAL B	ASIS						-							
1967	1,190,750	626,697	453,292	78,191	141,899	131,226	64,733	49,311	14,954	14,964	2,477	643,698	405,061	21,02
1968	1,464,927	952,487	576,874	219,272	135,554	121,155	81,700	54,799	15,736	13,196	2,932	580,487	437,918	18,88
1969	1,652,979	1,101,691	592,303	237,328	158,815	130,312	85,494	59,839	18,821	14,118	3,865	625,667	469,655	21,85
1970	1,753,611	1,152,053	587,013	236,878	164,299	136,733	89,793	58,244	19,401	16,115	3,739	668,537	498,992	23,45
1971	1,808,052	1,264,383	532,091	239,721	185,699	158,423	90,765	64,601	20,630	15,791	4,148	674,635	513,201	26,450
1972	1,973,000	1,747,000	673,000	245,100	211,000	171,000	95,500	67,475	19,800	17,000	4,796	705,600	544,200	27,30
1973 †	2.110.000	1,880,000	780,000	248,300	291,100	187,000	100,000	71,700	20,100	18,900	5,300	732,600	569,350	29,400

<sup>1</sup> Includes the corporation income tax.

Motor vehicle fuel tax (gasoline), use fuel tax (diesel and liquified petroleum gas).
 Registration and weight fees, motor vehicle license fees and other fees.

Nors: Data are shown for 1966-67 on both bases in order to facilitate long-term comparisons.

TABLE 12 **OUTLINE OF STATE TAX SYSTEM AS OF JANUARY 1, 1972** 

	Reference  Code Sections					
Major Taxes and Fees			Base or Measure	Rate	Administering Agency	Fund
Alcoholic Beverags Excises:						
Beer	R & T (1)	32151(a)	Gallon	\$0.04	Equalization (2)	General
Distilled spirits	R & T	32201(a)	Gallon	2.00	Equalization	General
Dry	R & T	32151(h)	Gallon	.01	Equalization	General
Sweet	R & T	32151(c)	Gallon	.02	Equalization	General
Sparkling	R & T	32151(d)	Gallon	.30	Equalization	General
Sparkling hard cider	R & T	32151(e)	Gallon	.02	Equalization	General
Bank and Corporation: General corporations	R & T	23151	Net income	7.6% (3)	Franchise (4)	General
		23501		110,0 (0)	11444	3333121
Banks and financial corporations.	R & T	23183	Net income	11.6% Max.	Franchise	General
Cigarette	R & T	30101	Package	\$0.10 (5)	Equalization	Cigarette Tax Fund (6)
Gift	R & T	15206	Market value	3-24%	Controller	General
Horse Racing License	B & P (7)	19611 19612 19614	Amt. wagered Breakage	5.5-7.45% 0-100%	Horse Racing Board	Fair and Expo. (8), Wildlife Restoration and General
Inheritance	R & T	19491 13404	Market value	3-24%	Controller	General
Insurance	R & T	12202	Gross Premiums	2.35% (9)	Insurance Comm	General
Liquor License Fees	B & P	23320	Type of license	Various	Alcoholic Beverage Control Dept	Alcohol Bev. (10) and General
Motor Vehicle:						
Vehicle license fees	R & T	10751	Market value	2%	Motor Vehicle Dept	Vehicle License Fee (11
Fuel—gasoline	R & T	7351	Gallon	\$0.07	Equalization	Fuel (12)
Fuel—diesel	R & T	8651	Gallon	.07	Equalization	Fuel
Registration fee	Vehicle	9250	Vehicle	11.00	Motor Vehicle Dept	Motor Veh. (13)
Weight fees	Vehicle	9400	Unladen weight	Various	Motor Vehicle Dept	Motor Vehicle
Transportation	R & T	9651	Gross receipts	11/2%	Equalization	Transp. Tax (14)
Personal Income	R & T	17041	Taxahle income	1-10%	Franchise	General
Preferential Incoms:						
Bank and corporation	R & T	23400	Preference income	2.5%	Franchise	General
Personal	R & T	17062	Preference income	2.5%	Franchise	General
Private (Railroad) Car	R & T	11401	Valuation	(15)	Equalization	General
Retail Sales and Use	R & T	6051 6201	Receipts from sales of taxable items	4% (16)	Equalization	General

- (1) Revenue and Taxation Cods.
   (2) State Board of Equalization.
   (3) Minimum tax \$200 per year, not applicable to banks.
   (4) Franchise Tax Board.
   (5) This tax is levied at the rate of 5 mills per cigarette.
   (6) 30 percent of the cigarette tax is remitted to local jurisdictions.
   (7) Business and Professions Code.
   (8) For support of county fairs and similar activities.
   (9) Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. A special rate also applies to certain types of insurance and annuities.
   (10) For return to cities and counties.
   (11) For payment of administrative costs and apportionment to counties, cities and school districts.

- (11) For payment of administrative costs and apportionment to counties, cities and school districts.
  (12) For administrative expense and apportionment to state, counties and cities for highways, airports and small craft harhors.
  (13) For support of State Department of Motor Vehicles, California Highway Patrol, state highways and environmental protection.
  (14) For administrative expenses and state highways.

- (15) Average property tax rate in the state during preceding year.
  (16) Rate decreases to 3.75% July 1, 1972. Extends tax to gasolins sales.



Schedule 2-COMPARATIVE STATEMENT OF REVENUES; FISCAL YEARS 1970-71, 1971-72, AND 1972-73

Cheeren   Pund   Special   Punds   Total   Ceveral   Pund   Special   Punds   Special   Pu			Actual 1970-71			Estimated 1971-72			Estimated 1972-73	
\$15,700,751 \$15,000,000 \$15,80	Sources .	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Activation   Act	MAJOR TAXES AND LICENSES: Alcoholic Beverage Taxes and Fees: Excise Tax on Beer and Wine. Excise Tax on Distilled Spirits. Liquor License Fses. Bank and Corporation Tax. Cigarette Tax. Gift Tax. Horse Racing Licenses. Inheritance Tax. Insurance Companies Tax. Motor Vehicle License Fees ("In-Lieu" Tax).	\$15,790,751 90,764,581 6,996,744 532,091,096 168,065,278 11,910,049 55,849,860 173,789,268 158,422,599	\$13,608,933 71,655,422 8,751,090	\$15,790,751 90,764,581 20,605,677 532,091,096 239,720,700 11,910,049 64,600,960 173,789,268 158,422,599 237,541,337	\$17,000,000 95,500,000 7,000,000 673,000,000 171,600,000 17,000,000 59,200,400 194,000,000	\$12,800,000 73,500,000 8,268,596 256,600,000	\$17,000,000 95,500,000 19,800,000 673,000,000 17,000,000 17,100,000 194,000,000 171,000,000 171,000,000	\$18,900,000 100,000,000 7,100,000 770,000,000 173,800,000 17,100,000 62,784,212 274,000,000 187,000,000	\$13,000,000 74,500,000 8,915,788	\$18,900,000 100,000,000 20,100,000 770,000,000 248,300,000 17,100,000 71,700,000 274,000,000 187,000,000
St. 308.120   St. 308.130	Gasoline.  Gasoline.  Diesel and Liquefied Petroleum Gas.  Motor Vehicle Registration and Other Fecs.  Motor Vehicle Transportation Tax.  Personal Income Tax.  Personalized License Plates.  Private Car Tax.  Retail Sales and Use Taxes.	1,264,382,921 4,148,070 1,808,052,193	634,134,125 40,501,236 275,659,534 25,456,294 842,176	634,134,125 40,501,236 275,659,834 25,456,294 1,264,838,7921 842,176 1,808,052,193	1,747,000,000 4,795,828 1,973,000,000	659,615,000 44,800,000 287,600,000 27,300,000 1,171,000	659,615,000 44,800,000 287,600,000 1,747,000,000 1,171,000 4,795,828 1,973,000,000	1,880,000,000 5,800,000 2,110,000,000	684,400,000 47,000,000 298,600,000 29,400,000 1,278,000	684,400,000 47,000,000 298,600,000 1,800,000 1,278,000 5,300,000 2,110,000,000
vullding Feet         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,368,830         \$1,369,325         \$1,396,325         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,402,309         \$1,4	TOTALS, MAJOR TAXES AND LICENSES	\$4,290,263,410	\$1,308,150,147	\$5,598,413,557	\$5,130,102,232	\$1,371,654,596	\$6,501,756,828	\$5,605,984,212	\$1,427,843,788	\$7,033,828,000
1,140,208         1,140,208         7,000,000         7,000,000           22,611,809         18,048,467         18,048,467         14,025,329           137,718         22,611,809         18,048,467         18,048,467         14,025,329           2,686,799         25,617,809         25,600         2,145,600         2,145,600         130,000           47,145,290         47,145,290         46,607,311         46,607,311         46,607,311         46,607,311           47,145,290         11,978,949         17,742,480         6,408,287         6,482,489         72,842           11,467,518         11,978,964         74,302         6,408,287         6,482,489         72,842           11,974,19         11,978,964         74,302         6,408,287         6,482,489         72,842           11,978,964         74,302         6,408,287         6,408,343         310,105         1           11,666,122         15,038,122         4,789,313         4,868,343         3,622,641         2           11,666,122         1,666,122         1,666,122         47,966,300         44,157,000         45,185,000           11,611,409         11,611,409         11,611,409         1,611,409         1,611,409         1,611,409 <t< td=""><td>OTHER REVENUES: Architecture Public Building Fses. Corporation—Licenses, Permits and Examination Fees. County Board Charges: Mental Hygiene Patients.</td><td>\$5,900,944</td><td>\$1,368,830</td><td>\$1,368,830 5,900,944 3,350,611</td><td>\$5,974,250 1,393,056</td><td>\$1,396,325</td><td>\$1,396,325 5,974,250 1,393,056</td><td>\$6,591,650</td><td>\$1,418,346</td><td>\$1,418,346</td></t<>	OTHER REVENUES: Architecture Public Building Fses. Corporation—Licenses, Permits and Examination Fees. County Board Charges: Mental Hygiene Patients.	\$5,900,944	\$1,368,830	\$1,368,830 5,900,944 3,350,611	\$5,974,250 1,393,056	\$1,396,325	\$1,396,325 5,974,250 1,393,056	\$6,591,650	\$1,418,346	\$1,418,346
22,611,809         18,048,467         18,048,467         14,025,329         14,025,329         14,025,329         130,000         1467,518         1,742,480         46,607,311         46,607,312         47,606,300         47,606,300	County Costs—Mentally III PatientsPay Patients Board Charges and Clinic Fees:	6,797,929		6,797,929	7,000,000		7,000,000	7,000,000		7,000,000
rt.         1,467,518         1,742,480         1,620,642         1.72,4480         1,620,642         1.72,424         1.72,4480         1,620,642         1.72,424         1.72,424         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1.72,4480         1,620,642         1,620,6	Mental Hygiene Patients	22,611,809 137,718 2,686,799 47,145,290		22,611,809 137,718 2,686,799 47,145,290	18,048,467 130,000 225,000 46,607,311	2,145,600	18,048,467 130,000 2,370,600 46,607,311	14,025,329 130,000	2,200,000	14,025,329 130,000 2,200,000 48,039,964
15,038,122   15,038,122   17,580,600   18,580,600   17,580,600   17,580,600   17,580,600   17,580,600   18,580,600   17,580,600   18,	Medicare Receipts from the Federal Government Department of Agriculture Department of Consumer Affairs	1,467,518 79,449 401,579	11,899,515	1,467,518 11,978,964 10,418,989	1,742,480 74,202 260,726	6,408,287	1,742,480 6,482,489 14,413,451	1,620,642 72,842 310,105	7,725,948	1,620,642 7,798,790 11,757,954
lents	Fishing and Hunting Licenses Department of Insurance Revenues. Interest on Investments:	4,799,313	15,038,122	15,038,122 4,799,313	4,868,343	17,580,600	4,868,343	3,622,641	21,018,000	3,622,641
11,011,409 11,011,409 11,011,409 11,011,409 11,011,409 11,011,409 11,031,388 11,085,220 85,000 11,512,000 11,597,000 85,000 182,418 559.234 639,685 42,000 681,685 487,136	Interest Income Pooled Money Investments	47,966,300	1,666,122	1,666,122	44,157,000	764,665	764,665	45,185,000	771,320	771,320
Opportunity Decision Decision Decision	Condemnation Deposit Investments	53,832 376,816		11,611,409 1,085,220 559,234	85,000	9,107,318 1,512,000 42,000	9,107,318	85,000 487,136	1,500,000	10,200,353 1,585,000 487,136

Schedule 2-COMPARATIVE STATEMENT OF REVENUES; FISCAL YEARS 1970-71, 1971-72, AND 1972-73-Continued

		Actual 1970-71			Estimated 1971-72			Estimated 1972-73	
Sources	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
OTHER REVENUES—Continued Oil and Gas Revenues: Revenues Collected by State Lands Division	2,361,803	2,641,026	6,002,829	2,590,819	22,248,181	24,839,000	2,740,560	68,592,440	71,333,000
Federal Lands.	447,915	2,726,391	2,726,391	485,000	2,490,573	2,490,573	483,000	2,500,000	2,500,000
Penalties and Interest on Unemployment Contri- butions		3,014,327	3.014.327		2.496.500	2.496.500		2 788 500	9 788 500
Penalties on Traffic Violations	14,675,106	5,154,442	19,829,548	16,320,000	5,185,000	21,505,000	16,400,000	5,490,000	21,890,000
Secretary of State—Fees and Miscellaneous	3,537,805	3,316,786	3,316,786	4.173.376	3,315,000	3,315,000	4.394.200	3,510,000	3,510,000
Transportation Rate Fund.		4,851,482	4,851,482		4,980,000	4,980,000		5,190,000	5,190,000
Proceeds Under Unclaimed Property Tax	2,991,423		2,991,423	2,955,000		2,955,000	2,700,000		2,700,000
State Beach and Park Service Ress	1,742,053		1,742,053	2,850,000		2,850,000	3,600,000		3,600,000
Not Otherwise Classified	17,527,678	45,924,110	63,451,788	13,419,251	15,101,413	28,520,664	13,724,482	12,329,976	26,054,458
TOTALS, OTHER REVENUES	\$192,797,849	\$125,766,629	\$318,564,478	\$178,777,766	\$113,785,187	\$292,562,953	\$171,212,551	\$161,002,762	\$332,215,313
TOTALS, REVENUES	\$4,483,061,259	\$1,433,916,776	\$5,916,978,035	\$5,308,879,998	\$1,485,439,783	\$6,794,319,781	\$5,777,196,763	\$1,588,846,550	\$7,366,043,313
OTHER INCOME—TRANSFERS: California Museum of Science and Industry Fund California Water Fund for Public Higher Education	\$169,083 13,697,004 31.700.000	- \$169,083 -13,697,004		\$3,363,993	- \$3,363,993				
Department of Human Resources Development Contingent Fund Driver Training Penalty Assessment Fundb	2,584,253 83,239 250,000	-2,584,253	\$83,239 250,000	2,258,022 143,900	-2,258,022	\$143,900	\$2,509,923 149,350	-\$2,509,923	\$149,350
Nuree Registry Fund  Service Revolving Fund  State Employees Contingency Reserve Fund	2,000 158,296 1,820,523	-2,000	158,296						
TOTAL, OTHER INCOME	\$50,464,398	-\$48,152,340	\$2,312,058	\$5,765,915	-\$5,622,015	\$143,900	\$2,659,273	-\$2,509,923	\$149,350
TOTALS, INCOME	\$4,533,525,657	\$1,385,764,436	\$5,919,290,093	\$5,314,645,913	\$1,479,817,768	\$6,794,463,681	\$5,779,856,036	\$1,586,336,627	\$7,366,192,663

Includes oil royalties and bid bonuses.
 Not recorded as a reduction in special funds as these funds are not governmental cost funds and receipts are not included in budget totals.

Schedule 3

# COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FUND FORD

	Page Ref-		Actual 1970-71		E	Estimated 1971–72		B	Estimated 1972-73	
Organization Unit	ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
GENERAL GOVERNMENT  Legislative: Legislature Legislature Legislature Legislature Commission on Uniform State Laws. Contributions to Legislators' Retirement Fund.	440-00	\$24,960,405 1,798,761 168,277 12,612 550,000	-\$205,628	\$24,754,777 1,798,761 168,277 12,612 550,000	\$29,667,763 1,917,119 168,000 15,400 1,036,229	\$161,635	\$29,808,128 1,917,119 1,98,000 15,400 1,036,229	\$30,275,279 2,057,572 175,900 23,100 642,134	\$1,822,581	\$32,097,860 2,057,572 175,900 23,100 642,134
Totals, Legislative.		\$27,490,055	-\$205,628	\$27,284,427	\$33,105,511	-\$161,635	\$32,943,876	\$33,173,985	\$1,822,581	\$34,996,566
Judicial—Supreme Court, Appellate Courts, Judicial Council and Commission on Judicial Qualifications	10	\$8,146,147 176,639	\$11,856	\$8,158,003 176,639	\$8,669,000 178,763	\$13,702	\$8,682,702 178,763	\$9,141,844 180,083	\$17,897	\$9,159,741 180,083
Totals, Judiclal.		\$8,322,786	\$11,856	\$8,334,642	\$8,847,763	\$13,702	\$8,861,465	\$9,321,927	\$17,897	\$9,339,824
Governor's Office:  Governor	11 12 12 13 13 13 13 14 14 15 18 18 18 18 18 18 18 18 18 18 18 18 18	\$1,586,270 91,924 135,416 194,722 889,800 32,479 236,166 26,761 107,243 86,604 11,513 33,756 595,728 595,728 595,728 595,728 595,728 55,450,166 \$5,450,166 77,986 77,986	\$90,770	\$1,586,270 91,924 90,770 1135,416 1194,722 889,800 32,479 226,166 26,761 1107,243 86,604 11,513 33,756 595,728 595,728 595,728 595,728 595,728 75,640,936 77,986 77,986	\$1,705,632 105,643 9,189 157,572 213,100 957,180 84,957 360,000 119,000 29,103 49,000 1,361,541 \$5,234,917 \$5,234,917	\$188,411 65,000 \$253,411 \$2,061,623 932,971	\$1,705,632 105,643 197,500 157,500 157,500 157,180 84,957 360,000 40,000 119,000 65,000 5,000 38,000 29,103 49,000 1,361,541 855,488,328 855,811,518 932,971 143,086	\$1,737,850 118,733 9,402 301,006 251,178 1,006,451 89,457 39,3,303 134,163 47,541 5,250 40,031 5,268,444 \$5,268,444 \$5,268,444 \$5,268,488	\$192,776 \$192,776 \$2,570,271 \$2,570,271	\$1,737,850 118,753 202,178 301,096 251,178 1,006,451 89,457 39,303 134,163 47,541 5,250 40,031 \$5,461,220 \$5,461,220 \$34,595 1,843,868 1,843,868
Crime Technological Research Foundation	81	75,000		75,000	75,000		75,000	78,750		

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

	Page Ref-		Actual 1970-71		<u>a</u>	Estimated 1971-72		I	Estimated 1972-73	
Organization Unit	er- ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
STATE OPERATIONS—Continued										,
GENERAL GOVERNMENT—Continued										
General Administration—Continued Administration and Payment of Tort Liability Claims	83	1,060,109	41,994	1,102,103	203,914	,	203,914	1,000,000		1,000,000
Indemnification of Private Citizens	84	419,760	1,414	421,174	400,000	2,090	402,090	500,000	2,000	502,000
Board of Equalization	116	24,108,759	2,428,723	26,537,482	25,345,769	2,482,939	27,828,708	26,486,349	2,517,939	29,004,288
Secretary of State	122	2,175,419		2,175,419	2,366,231		2,366,231	2,602,740		2,602,740
State Treasurer	126	837,438		837,438	960,451		960,451	1,020,474		1,020,474
Department of Finance	133	4,020,659		4,020,659	4,410,389		4,410,389	4,648,873		4,648,873
Commission on Derestate Cooperation.	136	94,887		94,887	110,730		110,730	110,730	1	110,730
Public Utilities Commission.	151	6,585,591	5,694,839	12,280,430	000,005,8	5,908,963	12,408,963	6,815,963	6,044,224	12,860,187
Totals, General Administration		\$70,952,117	\$11,715,311	\$82,667,428	\$74,816,183	\$12,675,113	\$87,491,296	\$81,917,490	\$13,246,745	\$95,164,235
Miscellaneous: Commission on the Status of Women	153	\$43,531		\$43,531	\$45,500		\$45,500	\$49,500		\$49,500
Arts Commission	155	167,791	\$346,922	167,791	168,000	8355,465	168,000	200,030	\$374,487	200,030
Board of Pilot Commissioners for Harbor of San Diego Board of Pilot Commissioners for the Bays of San Francisco.	158	525		525						
San Pablo, and SuisunBoard of Harbor Commissioners for Humboldt Bay	158	1.470	52,719	52,719		37,646	37,646		37,030	37,030
Health Benefits for Annuitants. Refunds of Taxes, Licenses and Other Fees.	160	2,292,541	7.	2,292,541	3,331,983		3,331,983	4,503,764		4,503,764
Totals, Miscellaneoua		\$2,519,017	\$399,641	\$2,918,658	\$3,575,483	\$393,111	\$3,968,594	\$4,783,294	\$411,517	\$5,194,811
Debt Service: Bond Interest and Redemption. Payment of Interest on General Fund Loans.	167	890,680,817		\$90,680,817	\$105,417,284		\$105,417,284	\$116,278,353		\$116,278,353
Totals, Debt Service		\$99,427,105		\$99,427,105	\$129,817,284		\$129,817,284	\$130,678,353		\$130,678,353
Unallocated: Augmentations for Salary Increase	176				\$1.583.072		\$1,583,072	876.983.000	\$22.218.000	\$99.201.000
Reserve for Contingencies. Legislative Claims Legislative Claims—Bond Funds.	180	\$155,988	\$33,759 (2,100)	\$189,747 (2,100)	963,781	\$24,899 (11,653)	963,781 371,822 (11,653)	1,000,000	2,866	1,000,000
Totals, UnallocatedBond Funds *		\$155,988	\$33,759 (2,100)	\$189,747	\$2,893,776	\$24,899 (11,653)	\$2,918,675 (11,653)	\$78,028,872	\$22,220,866	\$100,249,738
TOTALS, GENERAL GOVERNMENT		\$214,317,234	\$12,045,709 (2,100)	\$226,362,943 (2,100)	\$258,290,917	\$13,198,601 (11,653)	\$271,489,518 (11,653)	\$343,172,365	\$37,912,382	\$381,084,747

• Expenditures from bond funds not included in overall budget totals.

	Page Ref.		Actual 1970-71		<b>अ</b>	Estimated 1971-72			Estimated 1972-73	
Organization Unit	er- ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
STATE OPERATIONS—Continued										
AGRICULTURE AND SERVICES Department of Agriculture District Agricultural Associations	210	\$11,853,803 -130,000	\$12,417,400 3,294,000	\$24,271,203 3,164,000	\$12,044,863 -130,000	\$9,176,693 3,004,000	\$21,221,556 2,874,000	\$12,527,061 -130,000	\$9,620,228 3,117,000	\$22,147,289 2,987,000
Department of Consumer Affairs:										
Board of Accountancy.	236		367,877	367,877	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	418,911	418,911		458,746	458,746
Board of Architectural Examiners	2387	166,878	*10,021	166,878	179,800	140,040	179,800	195,100	00000	195,100
Board of Barber Examiners	238		394,561	394,561		462,335	462,335		474,857	474,857
Board of Behavioral Science Examiners	239		90,128	90,128		135,505	135,505		135,178	135,178
Cometery Board	240		80,057	60,057		114.214	114.214		115.177	115.177
Bureau of Collection and Investigative Services	241		287,532	287,532	, I	319,896	319,896		315,522	315,522
Division of Consumer Services	243	069'6		069'6	100		100			
Contractors' License Board	243		2,617,747	2,617,747		2,819,846	2,819,846		2,876,688	2,876,688
Board of Cosmetology	244		800,523	800,523		876,304	876,304		938,187	330,448
Board of Dental Examiners	245		280,294	280,234		324.366	324.366		328.379	328.379
Bureau of Employment Agencies	246		201,674	201,674		248,580	248,580		254,886	254,886
Board of Funeral Directors and Embalmers	247		104,615	104,615		115,994	115,994		122,675	122,675
Bureau of Furniture and Bedding Inspection	248		429,416	429,416		482,885	482,885		488,212	488,212
Board of Registration for Geologista	249		50,108	50,108	0000	51,194	51,194	9.870	50,011	50,011
Board of Tandonna A achitacta	249	2,191	39 534	39 534	7,000	37 690	37 629	010,4	39.851	39.851
Board of Medical Examiners	250		1,082,018	1,082,018		1,357,076	1,357,076		1,385,286	1,385,286
Board of Examiners of Nursing Home Administrators.	253		12,867	12,867		108,252	108,252		75,483	75,483
Board of Nursing Education and Nurse Registration	253		661,856	928'199	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	774,540	774,540		796,187	796,187
Nurses' Registry	254	1,150	4,640	5,790		14,167	14,167		14,031	14,031
Board of Optometry	255		12,388	12.388		13.788	13.788		14.452	14,452
Board of Pharmacy	256		670,585	670,585		750,987	750,987		764,699	764,699
Board of Registration for Professional Engineers.	257		692,050	692,050	1	719,973	719,973		733,449	733,449
Bureau of Repair Services	258		260,948	260,948	1 1 1 1 1 1 1	311,237	311,237		322,706	322,706
Certified Shorthand Reporters' Board	259		38,850	38,850		41,817	41,817		45,124	45,124
Bond of Posmings in Votaines: Medicine	259		487,507	487,507		044,057	944,037		95.818	95,818
Board of Vocational Nurse and Psychiatric Technician	700	1	11013		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					
Examiners	261		401,825	401,825		490,151	490,151		517,598	517,598
Totals, Department of Consumer Affairs		\$179,909	\$10,740,487	\$10,920,396	\$182,500	\$12,276,521	\$12,459,021	\$197,770	\$12,546,936	\$12,744,706
Board of Control	271	\$106,012		\$106,012	\$121,085		\$121,085	\$151,207	1	\$151,207
State Exposition and Fair Executive Committee	272	1,330,885	\$191,800	1,522,685	1,492,586	439,260	1,931,846	1,311,322	265,000	1,576,322
State Fire Marshal	276	840,827	130,223	971,050	895,103	100,000	995,103	22.525.594	000,67	1,012,230
Department of General Services	299	4.851.052	1,416,233	6,267,285	5,434,667	1,404,222	6,838,889	5,145,000	1,438,280	6,583,280
Department of Industrial Relations.	324	22,264,557		22,264,557	21,704,801		21,704,801	22,139,045		22,139,045
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	Page		Actual 1970-71		E	Estimated 1971–72		I	Estimated 1972–73	1 1972–73
Organization Unit	er- ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
STATE OPERATIONS—Contioned AGRICULTURE AND SERVICES—Continued Workmen's Compensation for Subsequent Injuries	326	1,636,207		1,636,207	1,770,000		1,770,000	2,004,000 8,543,631		2,004,000 8,543,631
Public Employees Retirement System. State Teachers' Retirement System. Department of Veterans Affairs: General Activities.	338 344 356	1,274,549 2,942,794 3,884,646		18,000 1,274,549 2,942,794 3,884,648	18,000 1,289,295 2,807,363 3,791,482		18,000 1,289,295 2,807,363 3,791,482	18,000 2,834,852 3,903,692		18,000 2,834,852 3,903,692
TOTALS, AGRICULTURE AND SERVICES		\$76,038,596	\$28,190,143	\$104,228,739	\$82,185,157	\$26,400,696	\$108,585,853	\$82,108,430	\$27,062,444	\$109,170,874
BUSINESS AND TRANSPORTATION  Business: Department of Alcobolic Beverage Control Alcoholic Beverage Control Appeals Board Banking Department Department of Corporations Department of Mousing and Community Development	363 366 377 377 386	\$5,963,481 127,889 3,076,224 1,805,348 4,248,348	\$1,371,071	\$5,963,481 127,889 1,371,071 3,076,224 1,805,549 4,248,348	\$6,263,277 135,998 131,90,811 1,273,672 4,717,316	\$1,470,895	\$6,263,277 135,998 1,470,895 3,190,811 1,273,672 4,717,316	\$6,441,851 140,203 3,187,000 1,312,662 3,230,197	1,626,134	\$6,441,851 140,203 1,626,134 3,187,000 1,312,662 3,230,197
Riot and Civil Disorders Insurance Department of Real Estate Department of Savings and Loan	395 396 402 406	3,100,000	3,420,324	3,100,000 3,420,324 2,761,682	500,000	3,792,937	500,000 1,750,000 3,792,937 2,878,475	500,000	4,457,534	500,000 1,650,000 4,457,534 2,925,825
Totals, Business		\$18,321,491	\$7,553,077	\$25,874,568	\$17,831,074	\$8,142,307	\$25,973,381	\$16,461,913	\$9,009,493	\$25,471,406
Transportation:  Office of Transportation Planning and Research. Special Transportation Services and Studies. Department of Aeronautics. Department of the California Highway Patrol. Vehicle Equipment Safety Commission. Department of Motor Vehicles. Department of Public Works.	412 414 419 435 441 454	\$11,330	\$68,438 35,046 566,577 121,933,482 8571 61,074,828	\$79,768 35,046 566,577 121,93,482 8,571 61,074,828	\$8,000	\$224,697 886 720,992 130,484,449 10,107 65,862,730 126,992,605	\$232,697 886 720,992 130,484,449 10,107 65,862,730 126,992,605	\$8,254	\$421,581 555,740 133,551,245 11,641 69,703,882 133,075,636	\$429,835 555,740 133,551,245 11,641 69,703,882 133,075,636
Totals, Transportation		\$11,330	\$308,710,064	\$308,721,394	\$8,000	\$324,296,466	\$324,304,466	\$8,254	\$337,319,725	\$337,327,979
TOTALS, BUSINESS AND TRANSPORTATION		\$18,332,821	\$316,263,141	\$334,595,962	\$17,839,074	\$332,438,773	\$350,277,847	\$16,470,167	\$346,329,218	\$362,799,385
RESOURCES Special Resources Services and Studies. Environmental Protection Program. Air Resources Board. California Advisory Committee. California-Nevada Interstate Compact Commission. Colorado River Board. Department of Conservation. State Lands Division.	546 549 550 559 560 563 575	\$135,584 -25,301 2,677 2,573 255,633 44,838,546 1,701,383	\$44,280 2,965,869 1,400,748	\$179,864 2,940,508 2,677 21,573 255,653 46,239,294 1,701,383	\$100,000 100,319 6,240 27,500 157,804 43,828,744 1,552,082	8144,500 7,527,129	\$100,000 144,500 7,627,448 6,240 27,500 157,804 45,374,480 1,552,082	\$50,000 6,552 27,500 92,767 43,554,654 1,568,000	\$1,960,058 7,761,590 1,749,780	\$50,000 1,960,058 7,761,590 6,552 27,500 92,767 45,304,434 1,568,000
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	Page		Actual 1970-71		E	Estimated 1971–72		щ	Estimated 1972-73	
Organization Unit	Ref- er- ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	Goneral Fund	Special Funds	Total
STATE OPERATIONS—Continued Department of Fish and Game. Wildlife Conservation Board. Klamatb River Compact Commission. Department of Navigation and Ocean Development. Bond Funds Department of Parks and Recreation. Bend Funds Department of Parks and Recreation. Band Funds Department of Parks and Recreation. Department of Parks and Recreation. San Francisco Bay Conservation and Dovelopment Commission. Department of Water Resources. Water Resources Control Board.	607 - 615 - 620 629 629 641 660 664 689 714 714	6,355 324,684 19,866,970 225,040 216,000 12,480,343 3,085,035	17,310,332	17,310,332 119,016 6,355 324,684 19,866,970 225,040 216,000 12,480,343 3,685,035 (443,800)	9,725 253,167 20,297,940 244,060 259,000 11,582,700 4,180,000	17,965,086 121,951	17,965,086 121,951 9,725 253,167 20,297,940 24,060 259,000 11,582,700 4,180,000 (5,050,000)	9,725 256,484 15,431,295 1,514,704 2,07,795 10,272,700 4,325,306	18,980,358 122,500 (120,700)	18,980,358 122,500 9,725 26,494 (120,700) 15,431,295 1,514,704 207,795 10,272,700 4,325,306 (5,450,000)
TOTALS, RESOURCES.  Bond Funds*.		\$83,734,482	\$21,840,245 (443,800)	\$105,574,727 (443,800)	\$82,599,281	\$27,305,002 (5,050,000)	\$109,904,283 (5,050,000)	\$77,377,492	\$30,574,286 (5,570,700)	\$107,951,778 (5,570,700)
HUMAN RELATIONS Job Development Corporation Law Executive Board.  Department of Corrections.  Department of the Youth Authority.  Department of Human Resources Development.  Department of Mental Hygiene:  Departmental Administration.  Research and Training.  Neuropsychiatric Institutes.  Neuropsychiatric Institutes.  Hospitals for Mentally Retarded.  Mental Retardation Program.	740 759 793 883 884 884 884 884 730	\$403.291 103.509,701 49,189.846 7,787,520 6,534,833 7,060,476 12,925,569 33,299,368 66,769,749	\$773,389	\$403.291 103,509,701 49,189,846 8,560,909 6,534,833 7,060,476 12,925,569 33,226,569 66,769,749	\$483,745 110,017,628 51,155,224 10,046,744 6,607,312 4,948,193 13,552,432 18,2698,335	\$576,328	\$483,745 110,017,628 51,155,224 10,623,072 6,607,312 4,948,193 13,552,432 18,265,432 18,265,835 83,998,335	\$406,988 112,815,914 52,421,755 13,237,889 7,037,930 1,601,347 19,531,664 89,569,302	\$601,548	\$400,088 112,815,914 52,421,755 13,839,437 7,037,930 1,661,347 19,531,664
Totals, Department of Mental Hygiene		\$126,549,995		\$126,549,995	\$127,401,300		\$127,401,300	\$117,800,243	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$117,800,243
Department of Public Health	932 952 971	\$12,334,140 6,745,433 18,130,131	\$54,800	\$12,388,940 6,745,433 18,130,131	\$10,997,731 7,200,966 9,801,474	\$71,913	\$11,069,644 7,200,966 9,801,474	\$11,953,739 7,025,363 14,227,370	\$71,913	\$12,025,652 7,025,363 14,227,370
TOTALS, HUMAN RELATIONS		\$324,650,057	\$828,189	\$325,478,246	\$327,104,812	\$648,241	\$327,753,053	\$329,889,261	\$673,461	\$330,562,722
EDUCATION  Education: Educational Research Commission. Department of Education: Educational Commission of the States. General Activities National Defense Education. Special Schools for the Handicapped.	981 1023 1024 1025	\$51,260 22,301 7,790,370 127,927 8,092,521	845,909	\$51,260 22,301 7,836,279 127,927 8,092,521	\$24,100 5,617,603 167,200 8,751,387	\$40,000	\$24,100 5,657,603 167,200 8,751,387	\$24,000 5,607,648 173,500 8,784,605		\$24,000 5,607,048 173,500 8,784,665
Totals, Department of Education		\$16,033,119	\$45,909	\$16,079,028	\$14,560,290	\$40,000	\$14,600,290	\$14,589,813		\$14,589,813

· Expenditures from bond funds not included in everall budget totals.

-	Page Ref-		Actual 1970-71		E	Estimated 1971–72		<b>A</b>	Estimated 1972–73	
Organization Unit	er- ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
STATE OPERATIONS—Continued EDUCATION—Continued										
Division of Lihraries Commission for Teacher Preparation and Licensing	1027	81,867,952		\$1,867,952	\$1,897,000	\$2,145,600	\$1,897,000 2,145,600	\$1,915,687	\$2,105,806	\$1,915,687 2,105,806
Totals, Education		\$17,952,331	\$45,909	\$17,998,240	\$16,457,290	\$2,185,600	\$18,642,890	\$16,505,500	\$2,105,806	\$18,611,306
Higher Education: Coordinating Council for Higher Education. Western Interstate Commission for Higher Education. University of California. Neuronsvehiatric Institutes	1071 1073 1089 1081	\$357,330 15,000 337,079,264	\$226,254	\$357,330 15,000 337,305,518	\$453,213 15,000 337,091,074	\$983,200	\$453,213 15,000 338,074,274	\$475,466 15,000 355,800,000 12,305,684	\$272,000	\$475,466 15,000 356,072,000 12,305,684
Hastings College of Law Trustees of the California State Colleges.  Maritime Academy.  Board of Governors of the Community Colleges State Scholarship and Loan Commission.	1118 1136 1182 1193 1224	1,239,446 305,131,971 791,200 845,110 16,098,613	100,000	1,239,446 305,131,971 791,200 945,110 16,098,613	1,251,996 318,692,616 791,000 959,574 20,000,000	100,000	1,251,996 318,692,616 791,000 1,059,574 20,000,000	1,534,426 350,167,004 891,000 998,807 28,225,056		1,534,426 350,167,004 891,000 998,807 28,225,056
Totals, Higher Education		\$661,557,934	8326,254	\$661,884,188	8679,254,473	\$1,083,200	\$680,337,673	\$750,412,443	\$272,000	\$750,684,443
TOTALS, EDUCATION		\$679,510,265	8372,163	8679,882,428	\$695,711,763	\$3,268,800	\$698,980,563	\$766,917,943	\$2,377,806	\$769,295,749
Credits to General Fund for Overhead Services Charged to Agencies Supported from Special Funds Net Expenditure Changes, Chapter 1, Statutes of 1971, 1st E.S. Estimated Unidentifiable Savings.		-811,509,140		-811,509,140	-\$12,800,000 -4,000,000 -5,000,000		-\$12,800,000 -4,000,000 -5,000,000	-\$12,500,000 1,000,000 -10,000,000		-\$12,500,000 1,000,000 -10,000,000
TOTALS, STATE OPERATIONSBond Funds a		\$1,385,074,315	\$379,539,590 (445,900)	\$1,764,613,905 (445,900)	\$1,441,931,004	\$403,260,113 (5,061,653)	\$1,845,191,117 (5,061,653)	\$1,594,435,658	\$444,929,597 (5,570,700)	\$2,039,365,255 (5,570,700)
CAPITAL OUTLAY b	ع.	\$80 008 169	- e50 738	810.171.356	. 090 628	<b>8</b> 31 049 453	\$43 909 499	\$2 195 000	845 461 216	\$47.656.216
Bond Funds . District Fair Construction Program.	م م	-200,000	(44,855,979) 1,288,558	(44,855,979) 1,088,558	-100,000	(42,554,445) 3,294,388	(42,554,445)	-100,000	(62,975,875)	(62,975,875)
State Highway Program.  Wildlife Conservation Program.  Rond & Wildlife The State of the State o	ء م م		361,334,738 -628,281	361,334,738 -628,281		306,319,478 1,352,888	306,319,478		344,958,000 960,000 (1,480,000)	344,958,000 960,000 (1,480,000)
Parks and Recreation Acquisition and Development Program Bond Funds.	م م	2,399,164	(11,818,927)	2,581,484 (11,818,927)	3,795,985	(35,019,159)	3,813,743	300,000	(17,634,412)	300,000 (17,634,412)
California Water Facilities Program. Bond Funds *.	م م	438,711	-11,946,491 (281,144,371)	-11,507,780 (281,144,371)	792,000	(255,514,210)	792,000 (255,514,210)	637,000	(193,794,172)	637,000 (193,794,172)
TOTALS, CAPITAL OUTLAY  Bond Funds A.		872,546,037	\$299,494,038 (338,885,843)	\$372,040,075 (338,885,843)	\$17,340,954	\$342,033,965 (333,793,114)	\$359,374,919 (333,793,114)	\$3,032,000	\$393,150,574 (275,884,459)	\$396,182,574 (275,884,459)
TOTAL EXPENDITURES, STATE OPERATIONS AND CAP- ITAL OUTLAY.  Bond Funds A.		81,457,620,352	\$679,033,628 (339,331,743)	\$2,136,653,980 (339,331,743)	\$1,459,271,958	\$745,294,078 (338,854,767)	\$2,204,566,036 (338,854,767)	\$1,597,467,658	\$838,080,171 (281,455,159)	\$2,435,547,829 (281,455,159)

• Expenditures from bond funds not included in overall budget totals.

<sup>b</sup> See Schedule 11 for Capital Outlay details.

	Page Ref-		Actual 1970-71		<b>a</b>	Estimated 1971–72		щ	Estimated 1972–73	
Organization Unit	ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
LOCAL ASSISTANCE GENERAL GOVERNMENT Judicial: Salaries of Superior Court Judges	11	\$10,380,352		\$10,380,352	\$11,200,801		\$11,200,801	\$11,493,016		\$11,493,016
Contributions to Judges' Retirement Fund	13	1,994,717		1,994,717	2,246,080		2,246,080	2,153,891		2,153,891
General Administration: Assistance to Cities and Counties for Peace Officer Standards and Training. Assistance to Counties for Public Defendsrs.	82	8775,000	\$5,168,769	\$5,168,769 775,000	8775,000	\$10,400,000	\$10,400,000	8775,000	\$12,170,000	\$12,170,000 775,000
Totals, General Administration		\$775,000	\$5,168,769	\$5,943,769	\$775,000	\$10,400,000	\$11,175,000	\$775,000	\$12,170,000	\$12,945,000
Miscellaneous: Storm and Flood Damage RepairEarthquake Damage Repair	162	\$1,232,620 -119,873	\$3,175,288	\$4,407,908 -119,873	\$886,258 119,908	\$200,000	\$1,086,258 -119,908	\$600,000	\$200,000	\$800,000 -119,615
Totals, Miscellaneous		\$1,112,747	\$3,175,288	\$4,288,035	\$766,350	\$200,000	\$966,350	\$480,385	\$200,000	\$680,385
Property Tax Relief: Sonior Citizens' Property Tax Assistance. Porsonal Property Tax Relief. Homeowners' Property Tax Relief.	164 164 165	\$8,575,972 92,368,087 218,035,732	-\$1,797,040	\$8,575,972 90,571,047 218,035,732	\$8,800,000 79,000,000 232,500,000	\$31,365,478	\$8,800,000 110,365,478 232,500,000	\$9,200,000 48,000,000 252,300,000	\$5,494,713	\$9,200,000 53,494,713 252,300,000
Totals, Property Tax Relief		\$318,979,791	-81,797,040	\$317,182,751	\$320,300,000	\$31,365,478	\$351,665,478	\$309,500,000	\$5,494,713	\$314,994,713
Shared Revenue:  For General Government:  Apportionment of Liquor License Fess  Apportionment of Highway Properties Rental Receipts  For County or City Durances.	181		\$15,283,818 1,853,650	\$15,283,818 1,853,650		\$12,657,961 2,313,127	\$12,657,961 2,313,127		\$12,917,000	\$12,917,000 2,445,000
Apportionment of Gigarette Tax.	182		240,235,477 71,642,625	240,235,477		247,280,000	247,280,000		262,260,000	262,260,000
Apportionment of Highway Carriers Uniform Business	182	\$184,261		184,261	\$1,440,000		1,440,000	\$1,520,000		1,520,000
Approximent of Tideland Revenue	182	122,417		122,417	205,000		205,000	120,000		120,000
For County Rosas: For City Streets	182		142,983,232	142,983,232		148,200,000	148,200,000		153,900,000	153,900,000
Apportionment of Motor Vehicle Fuel Tax For Cunty Roads and City Streets	182		65,334,546	65,334,546		000'002'29	000'002'29		70,300,000	70,300,000
Apportionment of Motor Vehicle Fuel Tax	183		91,474,180	91,474,180		94,900,000	94,900,000		98,500,000	98,500,000
Totals, Shared Revenue		\$306,678	\$628,807,528	\$629,114,206	\$1,645,000	\$646,251,088	\$647,896,088	\$1,640,000	\$674,622,000	\$676,262,000
TOTALS, GENERAL GOVERNMENT		\$333,549,285	\$635,354,545	\$968,903,830	\$336,933,231	\$688,216,566	\$1,025,149,797	\$326,042,292	\$692,486,713	\$1,018,529,005

	Page Ref-		Actual 1970-71		A	Estimated 1971–72			Estimated 1972-73	
Organization Unit	ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
AGRICULTURE AND SERVICES Salariee of County Agricultural Commissioners Assistance to Cities and Counties for Land Under Contract Payment to Counties for Agricultural Programs Assistance to County Agricultural Fairs and Citrus Fruit Fairs Workmen's Compensation for Disaster Service Workers	211 211 211 217 327	\$167,675 446 98,882	\$1,250,000 2,266,736	\$167,675 446 1,250,000 2,266,736 98,882	\$171,600 446 110,000	\$1,314,553 2,868,100	\$171,600 446 1,314,553 2,868,100 110,000	\$171,600 38,446 88,600	\$1,432,760 2,381,242	\$171,600 38,446 1,433,750 2,381,242 88,600
TOTALS, AGRICULTURE AND SERVICES		\$267,003	\$3,516,736	\$3,783,739	\$282,046	\$4,182,653	\$4,464,699	\$298,646	\$3,813,992	\$4,112,638
Airport Assistance Local Roade and Highwaye.  Grade Crossing Protection Works San Francisco-Oakland Southern Crossing.  Dumbarton Bridge Replacement Study. Southern California Rapid Transit District.  Metropolitan Transportation Commission	4774 4778 478 478 478 543 543	\$273,021	\$1,566,267 8,344,590 3,681,062 1,200,000 330,143	\$1,566,267 8,344,590 3,681,062 1,200,000 330,143 273,921		\$2,697,494 16,160,234 11,890,307 1,000,000	\$2,697,494 16,160,234 11,890,307 1,000,000		\$2,690,000 9,275,000 6,700,000	\$2.690,000 9.275,000 6,700,000
TOTALS, BUSINESS AND TRANSPORTATION		\$273,921	\$15,122,062	\$15,395,983		\$31,998,035	\$31,998,035		\$18,665,000	\$18,665,000
RESOURCES State Financial Assistance to Local Agencies for Boating Facilities, Enforcement and Beach Erosion Control.  Grants to Local Governments for Recreation.  Department of Water Resources:  Flood Control.  State Water Resource Control Board: Assistance for Construction of Water Quality Facilities	630 641 690	\$157,788	\$4,087,388	\$5,145,176 (3,785,036) 3,772,571	3,673,300	\$2,236,007 (2,013,837) (60,500,000)	\$2,559,107 (2,013,837) 3,673,300 (60,500,000)	\$128,700	\$6,000,000 (84,048) (84,048)	\$6,128,700 (84,048) 3,673,300 (95,500,000)
TOTALS, RESOURCES.  Bond Funds.		\$3,930,359	\$4,987,388 (3,785,036)	\$8,917,747 (3,785,036)	\$3,996,400	\$2,236,007 (62,513,837)	\$6,232,407 (62,513,837)	\$3,802,000	\$6,000,000 (95,584,048)	\$9,802,000 (95,584,048)
Youth Authority:  Assistance to Counties for Maintenance of Juvenile Homes and Camps.  Assistance to Counties for Construction of Juvenile Homes and Camps.  Assistance for Countrol of Juvenile including Construction of Border Cheek Stations.  Assistance to Country Delinquency Prevention Commissions.  Assistance to Counties for Special Probation Supervision Programe.  Subtotals, Youth Authority.	794 794 794 795	\$3,123,495 414,000 219,635 127,200 14,711,796 49,998 \$18,646,124		\$3,123,495 414,000 219,635 127,200 14,711,796 49,998	\$3,071,160 600,000 142,324 227,200 18,567,897		\$3,071,160 600,000 142,324 227,200 18,567,897	\$3,337,340 600,000 143,646 233,300 18,931,300 \$23,245,586		\$3,337,340 600,000 143,646 233,300 18,931,300

Expenditures from bond funds not included in overall budget totals.

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Organization Unit	ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
LOCAL ASSISTANCE—Continued HUMAN RELATIONS—Continued										
Department of Health Care Services	815	\$484,497,959		\$484,497,959	\$517,097,750	\$204,543	\$517,302,293	\$654,584,708	\$272,724	\$654,857,432
Mental Hygiene:  Mental Retardation Program	730	165,572,934		165,572,934	192,815,716		192,815,716	21,037,653 201,437,283		21,037,653 201,437,283
Assistance to Counties for Care of Crippled Children Assistance to Counties for Tuberculosis Sanatoria Assistance to Counties without Local Health Departments Assistance to Local Health Departments	934 935 935 935 936	13,618,348 249,875 694,444 4,997,545 5,549,114		13,618,348 249,875 694,441 4,997,545 5,549,114	14,480,400 331,441 780,227 4,797,545 20,824,653		14,480,400 331,441 780,227 4,797,545 20,824,653	15,061,300 300,147 800,727 4,797,545		15,061,300 300,147 800,727 4,797,545
Assistance to Local and Nonprofit Agencies for Hospital Construction  Assistance to Local Agencies for Family Planning.		13,354		13,354	400,000		400,000	000'009		900,009
Subtotals, Public Health		\$25,122,680		\$25,122,680	\$41,614,266		841,614,266	\$21,559,719		\$21,559,719
Social Welfare: Payment Systems Service and Regulatory Programs. County Administration.	972 973 973	\$692,440,991 14,054,758		\$692,440,991	\$728,053,700 21,551,091		\$728,053,700 21,551,091	\$734,970,000 19,657,090 49,398,600		\$734,970,000 19,657,090 49,398,600
Subtotals, Social Welfare		\$706,495,749		\$706,495,749	\$749,601,791		\$749,604,791	\$804,025,690		\$804,025,690
TOTALS, HUMAN RELATIONS		\$1,400,335,446		\$1,400,335,446	\$1,523,741,104	\$204,543	\$1,523,945,647	\$1,725,890,639	\$272,724	\$1,726,163,363
EDUCATION  Education: Apportionments for Public Schools Loans to School Districts Loans to School Districts Instructional Television Compensatory Education Special Elementary School Reading Instruction Program Mathematics Improvement Program Children's Centers Children's Centers Children's Centers Children's Centers Children's Centers Children's Construction Grants Grants Grants Grants Assistance to Public Libraries Vocational Education—Reimbursements to School Districts. Assistance to New Community Colleges Subtotals, Education	1029 1030 1030 1031 1031 1031 1033 1033 103	\$1,450,893,190 -102,678 629,236 10,911,431 18,000,000 922,204 10,414,306 344,540 18,304,478 970,193 555,220 -22,560	\$21,333,633	\$1,472,226,823 -102,678 629,236 10,911,431 18,000,000 922,204 10,414,306 344,50 18,304,478 970,193 555,220 -22,560	\$1,497,183,900 -222,679 604,000 11,000,000 18,360,000 150,000 1,724,071 800,000 550,000 1,300,000 51,502,077,292	\$23,150,000	\$1,520,333,900 -222,679 604,000 11,000,000 18,360,000 150,200 11,724,071 800,000 550,000 1,300,000 1,300,000	\$1,596,193,300 -222,680 640,000 19,278,000 10,853,000 11,937,909 800,000 550,000	\$23,200,000	\$1,619,393,300 -222,680 640,000 10,250,000 19,278,000 10,853,000 11,937,909 800,000 550,000

	Page Bef-		Actual 1970-71		Ā	Estimated 1971-72		Ē	Estimated 1972-73	
Organization Unit	ence	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
LOCAL ASSISTANCE—Continued										
EDUCATION—Continued Education:—Continued Contributions to Teachers' Retirement Fund Debt Service on Public School Building Bonds Community Colleges Extended Opportunity Programs	1055 1059 1194	\$91,000,000 50,431,044 4,495,255		\$91,000,000 50,431,014 4,195,255	\$20,000,000 55,309,570 3,350,000		\$20,000,000 55,309,570 3,350,000	\$135,000,000 65,834,642 3,350,000		\$135,000,000 65,834,642 3,350,000
TOTALS, EDUCATION Expenditure Changes, Chapter 1, Statutes of 1971, 1st E.S.		81,657,883,787	\$21,333,633	81,679,217,420	\$1,630,736,862 5\$21,000,000	\$23,150,000	\$1,653,886,862 \$21,000,000	\$1,854,614,171 b\$149,000,000	\$23,200,000	\$1,877,814,171 \$149,000,000
TOTALS, LOCAL ASSISTANCEBond Funds		\$3,396,239,801	\$680,314,364 (3,785,036)	\$4,076,554,165 (3,785,036)	\$3,516,689,643	\$749,987,804 (62,513,837)	\$4,266,677,447 (62,513,837)	84,059,647,748	\$744,438,429 (95,584,048)	\$4,804,086,177 (95,584,048)
TOTAL EXPENDITURES; STATE OPERATIONS. Bond Funds*.		81,385,074,315	8379,539,590 (445,900)	\$1,764,613,905 (445,900)	81,441,931,004	\$403,260,113 (5,061,653)	\$1,845,191,117 (5,061,653)	81,594,435,658	\$444,929,597 (5,570,700)	\$2,039,365,255 (5,570,700)
CAPITAL OUTLAY		72,546,037	299,494,038 (338,885,843)	372,040,075 (338,885,843)	17,340,954	342,033,965 (333,793,114)	359,374,919 (333,793,114)	3,032,000	393,150,574 (275,884,459)	396,182,574 (275,884,459)
LOCAL ASSISTANCE	1	3,396,239,801	680,314,364 (3,785,036)	4,076,554,165 (3,785,036)	3,516,689,643	749,987,804 (62,513,837)	4,266,677,447 (62,513,837)	4,059,647,748	744,438,429 (95,584,048)	4,804,086,177 (95,584,048)
TOTALS, EXPENDITURES		\$4,853,860,153	\$1,359,347,992 (343,116,779)	\$6,213.208,145	\$4,975,961,601	\$1,495,281,882 (401,368,604)	86,471,243,483 (401,368,604)	85,657,115,406	\$1,582,518,600 (377,039,207)	\$7,239,634,006 (377,039,207)

• Expenditures from bond funds not included in overall budget totals.

• Expenditures from bond funds not included in overall budget totals.

• Expenditures from bond funds not included in overall business Inventory Tax. In the 1972-73 fiscal year \$90,000,000 is for the Business Inventory Tax, \$46,000,000 is for Searce Program.

### CLASSIFICATION OF FUNDS IN THE STATE TREASURY

The Budget totals of revenues and expenditures reflect the activities of many separate funds. See Schedules 4 and 5 for complete list of these funds. They are segregated into the following classifications:

- GENERAL FUND—Consists of money received into the State Treasury not required by law to be credited to any other fund, to be used for general purposes of State Government.
- SPECIAL FUNDS—Funds created to receive certain revenues or to finance particular activities which are for general purposes of State Government or are for activities subject to the regulatory or police powers of the state.
- OTHER FUNDS—See Schedule 5 for list of funds which are not included in the Budget totals. They consist of moneys which were derived from sources other than general or special taxes, licenses, fees or other state revenues. There are receipts from the Federal Government, funds created for accounting purposes, receipts from sale of lands, or moneys held in trust. Funds not included in the Budget totals are segregated into the following classifications:
  - Working Capital and Revolving Funds—Funds created to finance services for governmental agencies for which charges are made at cost to maintain a fixed accountability. The charges are reflected as expenditures in the Budget at the agency receiving the commodity or service.
  - Public Service Enterprise Funds—Activities operated under state control for the benefit of the public. Funds are derived from charges to those who use the service and no support is derived from taxes, licenses or other state revenues. These functions are not subject to the regulatory or police powers of the state.
  - Bond Funds—To hold proceeds from the sale of bonds and to finance projects for which the bonds were authorized. The cost to the state is charged at the time interest payments are made and when the bonds are redeemed. (See Treasury funds for which no detailed transactions are reported in the Budget.)
  - Retirement Funds—Moneys held in trust by the state for retirement benefit payments.
  - Debt Service Funds—Moneys held by the state to be used for payment of interest or for redemption of bonds.
  - Trust and Agency Funds—Funds holding moneys in trust pending disbursements to trustors, moneys received from the Federal Government to be expended for specific purposes, and other funds which do not derive their sources from taxes or other state revenues, or are in the nature of transitory funds created for the convenience of accounting receipts or disbursements which are not necessarily revenues or expenditures.



Schedule 4

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1970, 1971, 1972, AND 1973

Fund	Accumulated surplus June 30, 1970	Aetual income 1970-71	Actual expenditures 1070-71	Transfers between funds	Accumulated surplus June 30, 1071	Estimated income 1971-72	Estimated expenditures 1971-72	Transfers between funds	Accumulated surplus June 30, 1972	Estimated income 1972-73	Estimated expenditures 1972-73	Transfers between funds	Accumulated surplus June 30, 1973
GENERAL FUND.	\$516,201,181	\$4,533,525,857	\$4,853,880,153		-\$170,407,585 1343,894,770 222,379,480	\$5,314,845,013	\$4,975,981,601		\$46,388,428 1331,555,000 26,609,549 8150,000,000	\$5,770,856,036	\$5,857,115,408		\$157,888,146 1348,081,000 21,322,461 *150,000,000
Transfers from Other Funds: California Museum of Science and Industry Fund Capital Outlay Fund for Public Higher Education California Water Fund		(+169,083) (+31,700,000) (+13,697,004)		(+169,083) (+31,700,000) (+13,607,004)		(+3,363,993)		(+3,363,993)					
Department of Human Resources Development Con- tingent Fund Nurses Registry Fund Poultry Testing Project Fund.		(+2,684,253)		(+2,584,253)		(+2,258,022)		(+2,258,022)	7	(+2,509,923)		(+2,509,923)	
Transfers to Other Funds: Assembly Contingent Fund. California Museum of Science and Indicator Fund.			(+9,886,025)	(-0,266,025)		1	(+10,283,496)	(-10,283,496)			(+10,787,887)	(-10,787,887)	
Cantonna in assemin of occasion and massing results.  Captinged Outlay Fund for Public Higher Education  Contingent Funds of the Assembly and Senate			(+68,200,000)	(-68,200,000)			(+11,774,000)	(-11,774,000)			(+3,939,000)	(-8,939,000)	
Property Tax Relief Fund			(+92,368,087) (+6,146,400)	(-92,368,087)			(+79,000,000)	(-79,000,000)			(+48,000,000)	(-48,000,000)	
SPECIAL FUNDS: Agriculture Fund	8,805,200	12,190,938	13,485,911	+2,310,000	6,583,281 ,481,803	8,721,787	10,285,861	+2,310,000	( 5,887,190) b2,499,183	7,092,008	10,798,277	+2,310,000	8,449,811 b2,423,163
Aeronauties Fund	1,190,340	-1,128,152	2,200,821	( +3,037,315) ( +1,811,380)	02,504,082 02,504,082	-1,074,885	3,457,340	+3,100,000	a1,071,837	-1,132,425	3,331,200	+3,400,000	*8,212
Aur potr Assissance Acotoving Fund Alcobolis Beverage Control Fund Architecture Public Building Fund Assembly Contingent Fund	1,611,380 2,638,848 505,047 5,831,718	13,808,933	15,283,818 1,418,233 9,731,433	-1,811,380	4981,981 -545,022 -5,366,308	12,800,000 1,403,825	12,857,981 1,404,222 10,749,804		"1,104,000 -545,410	13,000,000	12,917,000 1,438,280 11,487,887		*1,187,000 557,853 n4,200,000
Banking Fund. California Environmental Protection Program Fund	907,842	1,384,942	-9,288,025 1,371,071 413,183	(+0,268,025)	001,713 a1,760,091	1,587,411	-10,283,496 1,470,977 680,100	(+10,283,496)	998,147	1,878,750	-10,787,887 1,626,134 2,197,918	(+10,787,887)	1,048,783
California Museum of Science and Industry Fund	169,083 12,362,385	-160,083 848,568	-11,874,083	(-189,083)	n11,188,030	85,000	-2,713,903	+188,471	410,701,501	25,031,000	700,000		*35,122,501
Capital Outlay Fund for Public Higher Education	-42,382,880	2,641,028	8,327,418	(-13,697,004) (+88,200,000)	^^^,543,830 -18,113,102	-3,383,903 22,248,181	28,048,176	((-3,383,993))	-4,405,287	43,592,440	39,057,000		40,173
Chiropractic Examiners Fund Cigarette Tax Fund. Collection Agency Fund. Contingent Funds of the Assembly and Senate.	129,128 13,930,201 222,404 3,944,049	-31,700,000 116,273 71,655,422 248,131	101,173 71,542,626 190,789 2,811,352	((-31,700,000)	144,226 n13,951,998 270,748 n4,989,957	117,705 73,500,000 225,807	114,214 73,200,000 208,518 4,344,067		147,807 n14,251,998 296,835 n4,400,000	118,215 74,500,000 209,410	115,177 74,300,000 209,310 4,539,000		150,845 n14,451,998 206,944 a3,800,000
Repair Services Fund Bureau of Employment Agencies Fund	248,772	272,074 159,071	-3,856,370 280,948 201,674	(+3,858,370)	250,898	284,310 188,062	-3,755,000 311,237 248,580	(+3,755,000)	212,971 202,134	308,300	-3,939,000 322,708 254,888	(+3,939,000)	105,565 207,773

Schedule 4-SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1970, 1971, 1972, AND 1973-Continued

Fund	Accumulated surplus June 30, 1970	Actual income 1970-71	Actual expenditures 1970-71	Transfers between funds	Accumulated surplus June 30, 1971	Estimated income 1071-72	Estimated expenditures 1971-72	Transfere between funds	Accumulated surplus June 30, 1972	Estimated income 1972-73	Estimated expenditures 1972-73	Transfers between funds	Accumulated surplus June 30, 1973
SPECIAL FUNDS—Continued Fair and Exposition Fund. Fish and Game Preservation Fund.	1,835,475	8,001,092	7,377,904	-285,000	61,970,083 223,800 a203,489	7,800,521	9,720,184	-285,000		8,165,788	7,900,788	-285,000	
Geology Fund Hearing Aid Dispensers Fund Highway Fund Highway Properties Rental Fund Highway Users Tax Fund	81,653 9,875,025 1,862,007 78,272,258	93,827	50,108 287 499,932,743 1,853,650 300,058,984	+475,404,416	4,871,551 125,372 -287 3,110,041 2,313,057	3,025 78,750 5,124,091 2,445,000	51,194 28,175 462,365,180 2,313,127 310,800,000	+454,131,028	5,916,835 77,203 50,288 50,288 2,444,930	97,130 31,250 3,210,000 2,500,000	50,011 29,642 494,010,000 2,445,000 322,700,000	+490,800,000	9,099,392 124,322 51,896 2,490,930 87,200,000
Department of Human Resources Development Con-	1,000,715	3,180,982	597,444	+685,018,086 +5,539,088 +54,017 (-475,494,416	1,000,000	2,657,100	399,078	+894,500,000 +5,400,000 -454,131,028	1,000,000	2,948,795	438,872	+721,100,000 +7,600,000 -480,800,000	1,000,000
Indemnity Fund Motor Vehicle Fund Motor Vebicle Fuel Fund	1,037 54,552,503 412,083	280,517,538 878,808,872	188,731,684 7,444,268	(-2,684,253) -107,703,000 -885,016,085 -3,037,315 -2,310,000	n38,835,375	-2,258,022 2,000 291,300,000 707,719,000	2,090 214,345,277 8,084,907	$\begin{pmatrix} -2,258,022 \\ -88,000,000 \\ -894,500,000 \\ -3,100,000 \\ -2,310,000 \end{pmatrix}$	a47,590,098	2,609,923 2,000 302,800,000 735,120,300	211,885,888 8,361,257	(-2,509,923) -88,000,000 -721,100,000 -3,400,000 -2,310,000	a50,704,210
Motor Vehicls License Fee Fund.  Motor Vehicle Transportation Tax Fund.  Nurses Registry Fund.	23,832,014	25,533,857 25,533,857 13,350 -2,000	248,500,279 19,245,800 5,790 -1,150	-5,530,068 5,530,068 (-2,000 (+1,150)	15,009,820 "8,708,352 6,710	258,800,000 27,368,000 15,000	258,042,963 21,261,853 14,187	-5,400,000	17,586,686 n7,412,899 7,543	273,050,000 29,478,200 24,250	271,190,709 21,265,385 14,031	-7,800,000	19,425,057 *8,025,514 17,782
Nursing Homo Administrators State Licensa Examin- ing Board Fund			12,887		-12,887	211,375	108,252		90,258	175,500	75,483		190,273
of Peace Officers Training Fund Petroleum and Gas Fund Pilot Commissioner's Special Fund	11,373 7,208,488 130,150	14,182 8,471,228 1,244,334 28,800	12,388 5,828,399 1,277,909 52,719		13,167 10,049,297 94,325 °2,250 14,183	13,030 8,500,000 1,435,885 28,184	13,788 11,332,971 1,413,847 37,846		12,409 7,216,328 110,113 °8,500 4,701	13,130 9,000,000 1,409,520 38,000	14,452 13,104,696 1,422,383 37,030		11,087 3,111,731 100,000 °5,750 3,671
Professional and Vocations Funds: Accountancy Fund. Architectural Examiners Fund.	408,855	828,257 105,490	387,877		887,235 591,355	148,375 229,870	418,911		396,899 672,376	629,810	458,746 148,980		567,583 628,218
Barber Examiners Fund. Behavioral Science Examiners Fund. Cemetery Fund	475,138 309,618 29,455		394,581 90,128 80,057		225,170 342,050 18,000	1,008,960 248,803 72,280	462,335 135,505 81,829		769,795 455,348 8,431	175,275 239,405 91,200	474,857 135,178 85,407		470,213 559,575 14,224
Contractors License Fund Cosmetology's Contingent Fund Dentistry Fund	829,314 829,314 392,484	851,640 1,586,522 153,361	2,617,747 800,523 280,294		1,133,288 1,415,313 295,551	4,971,500 370,580 398,862	2,819,846 876,304 327,044		3,284,940 909,589 367,389	877,050 1,819,050 247,280	2,876,888 938,187 339,446		1,285,302 1,790,462 275,203
For Creaters Fund. Furniture and Endeling Inspection Fund. Landscape Architects Fund.	420,988 72,553 - 584,411 - 41,215	764,912 117,315 724,524 9,392	410,950 104,815 429,418 32,534		774,030 85,263 879,519 18,073	172,330 121,719 81,263 58,550	424,386 115,994 482,885 37,829		522,894 90,988 477,897 38,994	839,508 138,977 750,531 18,710	403,379 122,875 488,212 39,851		968,021 107,290 740,218 15,853
Medical Examiners Contingent Fund  Nursing Education and Nurse Registration Fund	- 3,583,007 - 439,313	804,889	1,040,930		8,351,946 537,082	2,315,947	1,484,413		4,258,480	905,212	1,575,570 798,187		3,689,122 731,922

# Schedule 4-SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1970, 1971, 1972, AND 1973-Continued

Fund	Accumulated surplus June 30, 1970	Actual incoms 1970–71	Actual expenditures 1970-71	Transfers between funds	Accumulated surplus Juns 30, 1971	Estimated incoms 1971-72	Estimated expenditures 1971-72	Transfors between funds	Accumulated surplus Juno 30, 1972	Estimated income 1972-73	Estimated expenditures 1972-73	Transfera batwean funds	Accumulated surplus June 30, 1973
SPECIAL FUNDS—Continued Professional and Vocational Funds—Continued Optometry Fund Pharmacy Board Contingent Fund Physical Therapy Fund. Professional Engineers Fund. Shorthand Reporters Fund. Structural Pest Control Fund.	40,185 320,742 176,120 232,838 327,541 116,895 506,244	143,662 426,369 23,947 117,506 924,259 88,666 567,911	97,332 670,585 40,801 96,743 692,050 38,850 487,507		86,515 76,526 159,266 253,601 559,750 166,711	9,675 1,166,730 133,407 127,722 376,885 22,235 522,000	90,350 750,987 49,031 111,378 719,973 41,817 641,657		5,831 492,269 243,642 200,945 216,662 147,129 567,591	148,425 463,600 31,975 100,822 869,566 100,775 654,525	86,623 764,699 52,798 106,212 733,449 45,124 525,298		67,633 191,170 222,819 273,555 362,77, 202,780 596,818
Vereinal Vurss and Psychistrio Technician Exvanners Fund.  Vocational Nurss and Psychistrio Technician Exvanners Fund.  Property Tax Ralisf Fund.  Real Estate Education, Research and Recovery Fund.  Rasl Estate Fund.  Savings and Loan Inspection Fund.  Senate Contingent Fund.	157,924 771,387 35,063,151 813,489 2,495,638 2,475,461 1,800,154	817,768 4,759,570 1,465,699	501,825 90,571,047 -92,358,087 429,800 3,110,906 2,761,682 6,520,382 -6,146,400	(+92,368,087)	1,012,938 36,860,191 1,201,457 4,138,302 1,180,348 1,426,172	233,120 233,150 708,320 4,369,505 2,712,218	590,151 110,365,478 -79,000,000 431,601 3,491,586 2,878,475 7,715,313 -8,933,223	(+79,000,000)	240,460 655,937 5,494,713 1,568,176 6,013,221 1,014,091 •2,644,082	851,997 844,755 8,909,785 2,694,900	95,818 517,598 53,494,713 -48,000,000 1,020,401 3,609,133 2,925,825 8,486,502 8,486,502	(+48,000,000)	186,979 990,336 1,192,530 5,313,873 783,166
Snowmobile Trust Rund. State Fair Fund. State School Fund. State School Construction Fund. Street and Highway Disaster Fund. Strong Motion Instrumentation Program Fund. Subsidence Abatement Fund. Teacher Credentials Fund. Transportation Rate Fund.	116,969 381,057 168,471 11,353,782 104,251	3,057,462 3,057,462 832,493 121,636	205,400 3,057,225 3,066,548 122,839 5,694,839	+265,000	1,225 175,559 381,284 168,471 9,065,710	7,000 2,806,698 499,325 50,000 132,549 2,145,600 5,065,140	440,458 2,800,000 131,889 2,145,600 5,908,963	+265,000 -168,471	8,225 101 387,982 9,565,035 50,000 103,708	9,000 2,809,210 500,000 200,000 130,006 2,200,000 5,245,000	265,101 2,800,000 2,800,000 193,683 133,714 2,105,806 6,044,224	+265,000	397,192 397,192 10,065,035 56,317 100,000 94,194 1,230,191
Augmentation for Salary Increases  TOTALS, SPECIAL FUNDS.	\$251,916,598	\$1,385,764,436	\$1,359,347,992		\$94,547,085 a181,208,544 b2,575,163 c2,250	\$1,479,817,758	\$1,495,281,882		\$79,030,593 \$181,330,672 b2,499,163 e8,500	31,586,336,627	\$7,500 22,218,000 \$1,582,518,600		\$2,010,487 -22,218,000 \$54,319,606 \$209,938,436 \$2,423,163 \$5,750
GRAND TOTALS, ALL STATE FUNDS	\$768,117,759	\$5,919,290,093	86,213,208,145		-875,860,480 1343,894,770 222,370,460 8 *181,208,544 b2,575,163	\$6,794,463,681	86,471,243,483		\$125,417,021 1331,555,000 26,609,549 1550,000,000 181,330,672 b2,499,163	37,386,192,663	\$7,239,634,006		\$212,207,752 1348,081,000 11,322,461 1150,000,000 200,938,436 52,423,163
1 General Fund—Reserve for Working Capital. 2 General Fund—Unencumbered Balancs of Continuing Appropriations: Stats Operations. Local Assistance. Capital Outlay.	Appropriations:		June 30, 1972 8331,555,000 5,373,416 1,200,000 36,133	30, 1972 June 30, 1973 ,555,000 \$348,081,000 ,373,416 1,305,416 ,200,000 17,045	a _ °	• Special Funds—Reserve for Unencumber b Invested in Agriculture Building Fund. • Reserve for Geothermal Energy Account.	serve for Unencu ture Building F. srmal Energy Ao.	Special Funds—Reserve for Unencumbered Balance of Continuing Approriations, Invested in Agriculture Building Fund. Reserve for Geothermal Energy Account.	of Continuing A	pproriations,			

\$6,609,549 \$1,322,401 Total Unencumhered Balancs of Continuing Appropriations-General Fund.....

\*General Fund—Reserve in accordance with Chapter 1, Statutes of 1971, 1st Extraordinary Session

\$150,000,000

Schedule 5

# STATEMENT OF BALANCES IN OTHER TREASURY FUNDS WHICH ARE NOT INCLUDED IN THE BUDGET TOTALS

Cash
\$17,926 63,865,042 31,277
26,014 1,428,879 75,000 147,091
20,533
24,347 24,347 378,660 137,763,399
942,090 162,475 273,824,734 2,607,802 101,281 92,166
16 1,241,969 151,440 188,400
4,561 70,539 3,984 5,851 4,443 28,874 7,703
406,733 31,271 43,389 743,878 69163 828 124,055
87,138 492,727 1,117,419 977,925 173,488

### Schedule 5—Continued

# STATEMENT OF BALANCES IN OTHER TREASURY FUNDS WHICH ARE NOT INCLUDED IN THE BUDGET TOTALS

		Balance Ju	Balance June 30, 1970			Balance June 30, 1971	e 30, 1971	
Fund	Cash	Securities	Due From Surplus Money Investment Fund	Total	Cash	Securities	Due From Surplus Money Investment Fund	Total
BOND FUNDS: California Water Resources Development Bond Fund Public School Building Loan Fund State School Building Aid Fund State Construction Program Fund Small Craft Harbor Bond Fund State Beach, Park, Recreational and Historical Facilities Fund State Deam Water	71,283 3,262 22,744,943 36,347,839 2,138,397		7,090,000	7,161,283 3,262 22,744,943 36,347,839 69,120 2,138,397	83,253 9,761 77,208,420 81,57,521 14,859,766 4,9844 9,582,571		66,090,000	66,173,263 9,761 77,208,420 81,57,521 63,106 14,889,766 49,844 9,582,571
RETIREMENT FUNDS: Judges' Retirement Fund Legislators' Retirement Fund Public Employees Retirement Fund Teachers' Retirement Fund	4,126 81,842 551,782 12,764,167	1,108,152 3,831,807,616 1,708,184,567	580,000	584,126 1,189,994 3,832,359,298 1,720,948,734	7,285 . 55,673 729,748 13,894,071	1,603,142 4,547,707,856 1,960,007,932	145,000	152,285 1,658,815 4,548,437,604 1,973,902,003
DEBT SERVICE FUNDS: Olympic Bond Fund State College Dormitory Interest and Redemption Fund	32 463,517	1,726,545	1,900,000	32 4,090,062	68,823	1,726,930	4,012,000	5,807,753
TRUST AND AGENCY FUNDS: Federal Funds: Public Health—Federal Fund. Social Welfare—Federal Fund. Unemployment Administration Fund. Vocational Education—Federal Fund.	1,104,099 26,810,018 1,779,216 1,681,236 477,846			1,104,099 26,810,018 1,779,216 1,681,236 477,846	1,220,810 60,721 521,790 1,052,202 133,357			1,220,810 60,721 521,790 1,052,202 133,357
Uther Trust and Agency Funds: Condemnation Deposit Fund Health Care Deposit Fund Highway Property Rental Fund Inmate Welfare Fund Special Deposit Fund State Employees Contingency Reserve Fund State Park Contingent Fund State Park Contingent Fund	2,443 1,727,219 1,684,290 326,975 34,561,857 77,977 45,037 132,733	27,519,969	13,934,000	27,522,412 1,727,219 1,684,290 2,010,247 48,495,857 2,596,563 4,5037	5,895 2,329,569 1,766,425 346,570 26,110,918 1,542 11,542 141,994	22,399,281	10,299,000	22,405,176 2,329,569 1,766,425 2,099,108 38,409,918 566,064 153,967 141,994
st Fund re Fund sm Fund stion Fund Guarantee und	4,289 654,969 10,526 108,228 34,913 1,833,300 35,765 100,000	3,699,140	2,900,000	4,289 7,254,109 1,2626 1,203,415 34,913 1,833,300 35,765 100,000	9,584 149,146 104,11 10,461 10,461 8,241,255 8,241,255 8,241,255 8,8681 19,878	900,000	3,380,000	9,684 6,814,527 103,793 910,461 607,840 8,241,265 8,563 288,681 19,878
TOTAL BALANCES IN OTHER TREASURY FUNDS	\$640,314,710	\$5,966,683,466	\$-150,377,250	\$6,456,620,926	\$749,721,007	\$6,908,940,094	\$-60,017,250	\$7,598,643,851
General Fund. Highway Fund and Motor Vehicle Funds. Highway Fund and Motor Vehicle Funds. Other Special Funds. Undeared Collections Warrants Oustanding. Fooled Money Laws. Time Deposits in Banks. Pooled Money Investments—Due from General Fund (Loans)*	\$54,340,468 37,178,130 190,092,164 98,079,894 108,866 198,407,160 -794,768,393 -300,000,000	\$119,783,044 \$5,470,000 794,768,398 \$00,000,000	\$102,917,260	\$64,340,458 259,878,424 203,032,164 903,032,164 108,866 103,407,160	\$5,500,011 5,598,765 56,405,710 98,445,565 217,354 240,200,000 -420,000,000 -93,400,000	\$53,160,000 \$5,470,000 677,670,036 420,000,000 93,400,000	\$25,817,250 34,200,000	\$6,600,011 64,666,016 166,076,710 98,438,565 217,324 249,276,402
TOTAL, STATE OF CALIFORNIA, ACCOUNTABILITY	\$68,762,959	\$7,206,694,908		\$7,275,457,862	\$18,192,738	\$8,158,630,130		\$8,171,822,868

COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1970-71, 1971-72, AND 1972-73 Schedule 6

			Actual 1970-71		Ħ	Estimated 1971–72		H	Estimated 1972-73	
Department	Page refer- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS										
GENERAL GOVERNMENT Judicial: Judicial Council	10	\$213,052		\$213,052	\$474,224		\$474,224	\$78,749		\$78,749
Executive: Office of Emergency Services	26	631,838	\$428,304	1,060,142	708,946	\$828,741	1,537,687	743,650	\$691,308	1,434,958
Purds to Local Security Security Office of Intergovernmental Management.  Office of Planning and Research.  Council on Intergovernmental Relations.  Intergovernmental Board on Electronic Data Processing	26 29 36 36 40	260,319 30,151 177,553	(49,115,260)	(49,115,260) 260,319 30,151 177,553	250,000 92,587 174,000	(94,397,305)	(94,397,305) 250,000 92,587 174,000	430,000 80,000 20,000 5,250	(56,356,965)	(56,356,965) 430,000 80,000 20,000 5,250
Totals, Executive	1	\$1,099,861	\$428,304 (49,115,260)	\$1,528,165 (49,115,260)	\$1,225,533	\$828,741 (94,397,305)	\$2,054,274 (94,397,305)	\$1,278,900	\$691,308 (56,356,965)	\$1,970,208 (56,356,965)
General Administration: Department of Justice—Support. Peace Officers Standards and Training. California Council on Criminal Justice	59 66 76	\$355,282 201,742 904,724		\$355,282 201,742	\$3,062,961 652,094 1,854,805		\$3,062,961 652,094 1,854,805	\$2,091,839		\$2,091,839
California Crime Technological Research Foundation Military Department: Maintenance and Operation of Facilities	81	301,562		301,562	1,419,784		1,419,784	1,128,480		1,128,480
Army and Air National Guard	144		(\$58,830,094)	(58,830,094)		(\$60,494,773)	(60,494,773)		(865,045,864)	(65,045,864)
Totals, Military Department		\$1,075,253	(58,830,094)	\$1,075,253 (58,830,094)	\$2,057,802	(60,494,773)	\$2,057,802 (60,494,773)	\$2,124,035	(65,045,864)	\$2,124,035 (65,045,864)
Totals, General Administration		\$2,838,563	(58,830,094)	\$2,838,563 (58,830,094)	\$9,047,446	(60,494,773)	\$9,047,446 (60,494,773)	\$7,396,154	(65,045,864)	\$7,396,154 (65,045,864)
Miscellaneous: Arts Commission	155	\$83,662		\$83,662	\$125,000		\$125,000	\$125,000		\$125,000
TOTALS, GENERAL GOVERNMENT		\$4,235,138	\$428,304 (107,945,354)	\$4,663,442 (107,945,354)	\$10,872,203	\$828,741 (154,892,078)	\$11,700,944 (154,892,078)	\$8,878,803	\$691,308 (121,402,829)	\$9,570,111 (121,402,829)
AGRICULTURE AND SERVICES Department of Agriculture—Support Department of Industrial Relations—Support Personnel Board—Support.	210 324 333	\$41,489 371,684	\$2,069,990 445,522 438,242	\$2,111,479 817,206 438,242	\$856,245	\$2,767,457	\$2,767,457 856,245 660,370	\$434,782	\$2,184,381	\$2,184,381 434,782 92,117
Vectrans frome of California:  Care and Maintenance of Veterans	358	2,604,515		2,604,515	2,502,370	,	2,502,370	2,511,437		2,511,437
TOTALS, AGRICULTURE AND SERVICES		\$3,017,688	\$2,953,754	\$5,971,442	\$3,358,615	\$3,427,827	\$6,786,442	\$2,946,219	\$2,276,498	\$5,222,717

## Schedule 6-COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID-Continued

Para		Actual 1970-71		Ä	Estimated 1971-72		Ħ	Estimated 1972-73	
	Grants	Reimburse- ments and special projects	Total	Grante	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS—Continued BUSINESS AND TRANSPORTATION									
Business: Department of Housing and Community Development— Support		\$182,932	\$182,932		\$209,902	\$209,902		\$197,786	\$197,786
Transportation: Office of Traffic Safety	8658		658	\$496,310		496,310	\$548,154		548,154
l—Support		650,695	650,695 349,352	449,917	471,346	449,917 471,346 65,876		12,000	12,000
Totals, Transportation	\$658	\$1,000,047	\$1,000,705	\$946,227	\$537,222	\$1,483,449	\$548,154	\$12,000	\$560,154
TOTALS, BUSINESS AND TRANSPORTATION	\$658	\$1,182,979	\$1,183,637	\$946,227	\$747,124	\$1,693,351	\$548,154	\$209,786	\$757,940
Air Resources Board—Support	\$2,029,564 825,186	\$867,906 1,744,678 700,764 265,344 258,491	\$867,906 1,744,678 2,730,328 265,344 258,491 825,186	\$2,855,925	\$800,000 819,352 803,814 349,468 274,000	\$800,000 819,352 3,659,739 349,468 274,000 782,390	\$3,167,500	\$880,000 728,300 943,235 231,339 195,000	\$880,000 728,300 4,110,735 231,339 195,000 1,267,390
TOTALS, RESOURCES82,85	\$2,854,750	\$3,837,183	\$6,691,933	\$3,638,315	\$3,046,634	\$6,684,949	\$4,434,890	\$2,977,874	\$7,412,764
HUMAN RELATIONS Department of Corrections—Support	\$1,261,692	\$205,913	\$205,913 523,919 1,261,692	\$1,914,966	\$2,603,480	\$2,603,480 1,659,410 1,914,966	\$1,731,692	\$4,220,203	\$4,220,203 1,053,044 1,731,692
Totals, Department of the Youth Authority	\$1,261,692	\$523,919	\$1,785,611	\$1,914,966	\$1,659,410	\$3,574,376	\$1,731,692	\$1,053,044	\$2,784,736
Department of Human Resources Development:         836         \$1           Unemployment Security Financing Act.         836         832,24           Benefit Payments and Other Expenditures.         836         94,50           Administration—Support.         836         94,50           Other Federal Funds.         836         47,98	\$18,116 - 832,244,876 - 94,501,788 47,932,530 -	\$2,748,119	\$18,116 832,244,876 97,249,007 47,932,530	\$18,333 852,900,000 106,360,658 65,988,345	\$3,060,644	\$18,333 852,900,000 109,421,302 65,988,345	\$19,239 681,000,000 92,758,098 61,059,038	\$2,804,864	\$19,239 681,000,000 95,562,962 61,059,038
Totals, Department of Human Resources Development.	\$974,697,310	\$2,748,119	\$977,445,429	\$1,025,267,336	\$3,060,644	\$1,028,327,980	\$834,836,375	\$2,804,864	\$837,641,239
Department of Mental Hygiene: Department of Mental Hygiene—Support	\$390,548	\$5,334,099	\$5,724,647	\$423,634	\$6,234,756	\$6,658,390	\$417,000	\$17,407,73 <b>2</b> 694,973	\$17,824,732 794,973
Totals, Department of Mental Hygiene	\$390,548	\$5,334,099	\$5,724,647	\$423,634	\$6,234,756	\$6,658,390	\$517,000	\$18,102,705	\$18,619,705

## Schedule 6-COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID-Continued

			Actual 1970-71		Ø	Estimated 1971-72	8	H	Estimated 1972-73	3.
Department	Page refer- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
STATE OPERATIONS—Continued										
HUMAN RELATIONS—Continued Department of Public Health: Special Project Activities Department of Public Health—Support.	932	\$4,550,973	\$4,769,848 2,424,999	\$4,769,848 6,975,972	\$4,615,283	\$6,042,327 2,467,020	\$6,042,327 7,082,303	\$4,629,861	\$5,893,089 2,474,720	\$5,893,089 7,104,581
Totals, Department of Public Health		\$4,550,973	\$7,194,847	\$11,745,820	\$4,615,283	\$8,509,347	\$13,124,630	\$4,629,861	\$8,367,809	\$12,997,670
Department of Rehabilitation: Department of Rehabilitation—Support. Cooperative Rehabilitation Servicee. Disability Determination Program.	952 952 952	\$20,650,886 12,494,559 6,892,731		\$20,650,886 12,494,559 6,892,731	\$50,846,576		\$50,846,576	\$57,401,393		\$57,401,393
Totals, Department of Rehabilitation		\$40,038,176	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$40,038,176	\$50,846,576		\$50,846,576	\$57,401,393		\$57,401,393
Department of Social Welfare: State Administration and Public Assistance—Support	971	\$12,432,874		\$12,432,874	\$12,430,501		\$12,430,501	\$8,429,992		\$8,429,992
TOTALS, HUMAN RELATIONS		\$1,033,371,573	\$16,006,897	\$1,049,378,470	\$1,095,498,296	\$22,067,637	\$1,117,565,933	\$907,546,313	\$34,548,625	\$942,094,938
EDUCATION Educational Research Commission—Support Department of Education—Support	981 1023 1065	\$14,272,976	\$6,831 399,152	\$6,831 14,672,128	\$21,117,337	\$352,922	\$21,470,259	\$21,231,079	\$353,330 247,000	\$21,584,409
Higher Education: Coordinating Council for Higher Education—Support	1071	421,386		421,386	514,287		514,287	498,397		498,397
Special Federal Research Projects	1090		271,760,419 177,887,716	271,760,419 177,887,716		271,761,000 182,038,156	271,761,000 182,038,156		271,761,000 190,895,875	271,761,000 190,895,875
Totals, University of California			\$449,648,135	\$449,648,135		\$453,799,156	\$453,799,156		\$462,656,875	\$462,656,875
Hastings College of the Law: Work Study Program.	1118	\$49,400		\$49,400	\$56,830		\$56,830	\$56,830		\$56,830
State College System—Support	1134 1182 1193	196,935	\$22,802,678	22,802,678 196,935 513,914	215,400	\$32,994,754 875,086	32,994,754 215,400 875,086	200,400	\$35,571,945 930,294	35,571,945 200,400 930,294
Totals, Higher Education		\$667,721	\$472,964,727	\$473,632,448	\$786,517	\$487,668,996	\$488,455,513	\$755,627	\$499,159,114	\$499,914,741
TOTALS, EDUCATION		\$14,940,697	\$473,370,710	\$488,311,407	\$21,903,854	\$488,021,918	\$509,925,772	\$21,986,706	\$499,759,444	\$521,746,150
TOTALS, STATE OPERATIONS		\$1,058,420.504	\$497,779,827 (107,945,354)	\$1,556,200,331 (107,945,354)	\$1,136,217,510	\$518,139,881 (154,892,078)	\$1,654,357,391 (154,892,078)	\$946,341,085	\$540,463,535 (121,402,829)	\$1,486,804,620 (121,402,829)

### Schedule 6-COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID-Continued

			Actual 1970-71		ਜ਼	Estimated 1971-72	8	स	Estimated 1972-73	
Page refer-	age fer- nce	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments aod special projects	Total	Grants	Reimburse- meots and special projects	Total
CAPITAL OUTLAY										
State Building Program		\$20,974,635		\$20,974,635	\$13,260,692		\$13,260,692	\$25,320,000		\$25,320,000
State Highway Program.  Parks and Recreation Acquisition and Development Program		441,817,456		.441,817,450	389,947,984 5,799,000		389,947,984 5,799,000 2,509,788	370,956,000 4,524,250 1,882,500		370,956,000 4,524,250 1,882,500
TOTALS, CAPITAL OUTLAY.		\$464,576,221 (145,557)		\$464,576,221	\$411,517,464		\$411,517,464 (1,838,000)	\$402,682,750 (1,580,000)		\$402,682,750 (1,580,000)
TOTAL EXPENDITURES: State Operatioos.	69	\$1,058,420,504		\$1,556,200,331	\$1,136,217,510	\$518,139,881	\$1,654,357,391	\$946,341,085	\$540,463,535	\$1,486,804,620
Capital Outlay.	-	464,576,221 (145,557)	(107,945,354)	(107,945,354;) 454,576,221 (145,557;)	411,517,464 (1,838,000)	(154,892,078)	(154,892,078); 411,517,464 (1,838,000)	402,682,750 (1,580,000)	(121,402,829)	(121,402,829) 402,682,750 (1,580,000)
TOTALS, STATE OPERATIONS AND CAPITAL OUTLAY.	60	\$1,522,996,725 (145,557)	\$497,779,827 (107,945,354)	\$2,020,776,552 (108,090,911)	\$1,547,734,974 (1,838,000)	\$518,139,881 (154,892,078)	\$2,065,874,855 (156,730,078)	\$1,349,023,835 (1,580,000)	\$540,463,535 (121,402,829)	\$1,889,487,370 (122,982,829)
LOCAL ASSISTANCE										
GENERAL GOVERNMENT General Administration: Peace Officers Standards and Training		\$1,600		\$1,600						
Miscellaneous: Storm and Flood Damage Repair	162	4,825,704		4,825,704	\$350,000		\$350,000			
Shared Revenues: Federal Receipts from Flood Cootrol Land	181 181 182 182	116,338 13,534,386 56,765 540,614		116,338 13,534,386 56,765 540,614	125,000 11,245,141 56,424 555,000		125,000 11,245,141 56,424 555,000	\$125,000 11,300,000 56,500 560,000		\$125,000 11,300,000 56,500 560,000
Totals, Shared Revenues	:	\$14,248,103		\$14,248,103	\$11,981,565		\$11,981,565	\$12,041,500		\$12,041,500
TOTALS, GENERAL GOVERNMENT	:	\$19,075,407		\$19,075,407	\$12,331,565		\$12,331,565	\$12,041,500		\$12,041,500
BUSINESS AND TRANSPORTATION  Local Roads and Highways	477	\$23,554,360		\$23,554,360	\$103,216,265		\$103,216,265	\$23,458,000		\$23,458,000
RESOURCES Department of Parks and Recreation: Land and Water Conservation Fund Act	641	\$355,835		\$355,835	\$386,572		\$386,572			

Schedule 6-COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID-Continued

			Actual 1970-71		Щ.	Estimated 1971–72	2	H	Estimated 1972–73	8
Department	Page refor- ence	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total	Grants	Reimburse- ments and special projects	Total
LOCAL ASSISTANCE—Continued										
HUMAN RELATIONS  Department of the Youth Authority: Assistance to Counties for Pilot Youth Service Bureaus Department of Health Care Services Department of Mental Hygiene: Mortel Retardation Program	794 816	\$93,750 553,292,023		\$93,750 553,292,023	\$731,971,865		\$731,971,865	\$760,487,213 6 938,505	\$ 7 827 053	\$760,487,213 9 061 458
Department of Public Health: Care of Crippled Children Assistance to Counties without Local Health Departments Assistance to Local Health Departments	934 935 936	2,129,912 130,406 4,894,151	6	2,129,912 130,406 4,894,151	2,342,723 130,406 4,937,062	99	2,342,723 130,406 4,937,062	2,342,723 130,406 4,937,062		2,342,723 130,406 4,937,062
Hospital Construction Assistance for Family Planning	937 938	13,342,158	000,111,116	13,342,158	9,012,428	1,200,000	9,012,428	10,869,161	1,800,000	10,869,161
Totals, Department of Public Health		\$20,496,627	\$1,144,850	\$21,641,477	\$16,978,959	\$3,940,000	\$20,918,959	\$18,279,352	\$1,800,000	\$20,079,352
Department of Social Welfare: State Administration and Public Assistance Programs—Local Assistance	973	\$1,311,800,207		\$1,311,800,207	81,469,506,175		\$1,469,506,175	\$1,541,073,186		\$1,541,073,186
TOTALS, HUMAN RELATIONS		\$1,885,682,607	\$1,144,850	\$1,886,827,457	\$2,218,456,999	\$3,940,000	\$2,222,396,999	\$2,326,078,256	\$4,622,953	\$2,330,701,209
EDUCATION Education	1028	\$223,024,092		\$223,024,092	\$246,354,679		\$246,354,679	\$271,230,644		\$271,230,644
TOTALS, LOCAL ASSISTANCE		\$2,151,692,301	\$1,144,850	\$2,152,837,151	\$2,580,746,080	\$3,940,000	\$2,584,686,080	\$2,632,808,400	\$4,622,953	\$2,637,431,353
TOTAL EXPENDITURES: State Operations		\$1,058,420,504	\$497,779,827 (107,945,354)	\$1,556,200,331 (107,945,354)	\$1,136,217,510	\$518,139,881 (154,892,078)	\$1,654,357,391 (154,892,078)	\$946,341,085	\$540,463,535 (121,402,829)	\$1,486,804,620 (121,402,829)
Capital Outlay.		464,576,221 (145,557) 2,151,692,301	1,144,850	464,576,221 (145,557) 2,152,837,151	411,517,464 (1,838,000) 2,580,746,080	3,940,000	411,517,464 (1,838,000) 2,584,686,080	402,682,750 (1,580,000) 2,632,808,400	4,622,953	402,682,750 (1,580,000) 2,637,431,353
TOTALS, EXPENDITURES		\$3,674,689,026 (145,557)	\$498,924,677 (107,945,354)	\$4,173,613,703 (108,090,911)	\$4,128,481,054 (1,838,000)	\$522,079,881 (154,892,078)	\$4,650,560,935 (156,730,078)	\$3,981,832,235 (1,580,000)	\$545,086,488 (121,402,829)	\$4,526,918,723 (122,982,829)

Schedule 7-SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1972-73

Function General Control Contr		Proposed Budget Act of 1	1972	Constitution	Constitution and Statutory Authorizations	uthorizations	Prior Year Appropriat	Prior Year Appropriations, Continuing Appropriations, and Reappropriations	Continuing	Governmental	
CTATE ODED ATTOMS AND	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total	Cost Funds Total	Total
LOCAL ASSISTANCE											
General Government: 830 Legislative	\$30,833,985 • (2,340,000)		\$30,833,985 \$(2,340,000)	\$2,340,000		\$2,340,000		\$1,822,581	\$1,822,581	\$32,656,566	\$32,656,566
	20,634,860 5,268,444	\$17,897 192,776	20,652,757 5,461,220	2,333,974		2,333,974				22,986,731 5,461,220	22,986,731 5,461,220
General Administration	82,682,490 4,783,294	25,416,745	108,099,235 5,194,811 261,500,000				\$10,000 480,385 48,000,000	200,000	10,000 680,385 53 494 713	108,109,235 5,875,196 314,994,713	108,109,235 5,875,196 314 094 713
	14,400,000	22,220,866	14,400,000	116,278,353		116,278,353				130,678,353	130,678,353
Shared Revenues				1,640,000	674,622,000	676,262,000				676,262,000	676,262,000
TOTAL, GENERAL GOVERNMENT \$498	\$498,131,945	\$48,259,801	\$546,391,746	\$122,592,327	\$674,622,000	\$797,214,327	\$48,490,385	\$7,517,294	\$56,007,679	\$1,399,613,752	\$1,399,613,752
Agriculture and Services	\$79,164,076	\$22,575,444	\$101,739,520		\$6,200,992	\$6,200,992	\$3,243,000	\$2,100,000	\$5,343,000	\$113,283,512	\$113,283,512
	81,179,492	27,374,286	108,553,778		000,000,9	000'000'9		3,200,000	3,200,000	117,753,778	117,753,778
Human Relations 1,406	1,406,651,000	673,461	1,407,324,461				1,452,000	(100,950,000)	1,724,724	1,409,049,185	1,409,049,185
Education (Including Higher Education) 1,112	a (647,676,900) 1,112,577,502	2,377,806	a (647,676,900) 1,114,955,308	\$647,676,900 82,234,642	3,200,000	647,676,900 85,434,642	-73,330	20,000,000	19,926,670	647,676,900 1,220,316,620	647,676,900
	(1,426,793,300)		(1,426,793,300)	1,426,793,300		1,426,793,300				1,426,793,300	1,426,793,300
	-12,500,000		-12,500,000							-12,500,000	-12,500,000
	1,000,000		1,000,000							1,000,000	1,000,000
Expenditure changes, Chapter 1, Stat- utes of 1971 (1st E.S.) b	149,000,000		149,000,000							149,000,000	149,000,000
TOTALS, STATE OPERATIONS AND LOCAL ASSISTANCE 83,321	\$3,321,674,182	\$315,514,380	\$3,637,188,562	\$2,279,297,169	\$840,763,628	83,120,060,797	\$53,112,055	\$33,090,018	\$86,202,073	\$6,843,451,432	\$6,944,606,180
General Fund. Special Funds.	\$8,321,674,182	\$315,514,380	- 1 1	\$2,279,297,169	\$840,763,628		\$53,112,055	\$33,090,018		\$5,654,083,406 1,189,368,026	\$5,654,083,406 1,189,368,026
State Beach, Park, Recreational and His- torical Facilities Fund		(87078)						(100,300,000)			87078
Recreation and Fish and Wildlife Enhancement Fund.		(120,700)									120,700

Schedule 7-SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1972-73-Continued

Secial Fund   Special Funds   Total   General Funds   St. G02.728   St.	# # # # # # # # # # # # # # # # # # #						Appropria	Appropriations, and itemphispinations	ropriations	Governmental	
\$2,195,000 \$45,523.802 \$47,518.802 \$47,518.802 \$47,518.802 \$47,518.802 \$47,518.802 \$47,518.802 \$41,0500 \$210,00				General Fund	Special Funds	. Total	General Fund	Special Funds	Total	Cost Funds Total	Total
\$2.15,000 \$45,632 \$47,515,892 \$47,515,892 \$47,515,892 \$41,502,728 \$1,502,729 \$1,502,729	pr pr gs us										
Section   Sect	n n n n n n n n n n n n n n n n n n n	-						-\$162,676	-\$162,676	\$47,656,216	\$47,656,216
11	Pr P	268,630			\$1,502,728	\$1,502,728	-\$100,000		- 100,000	1,671,358	1,671,358
## 300,000	pa pa	210,000			750,000	750,000		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		000'096	000'096
### 300,000   300,000   300,000   300,000   300,000   300,000   300,000   300,000   300,000   300,000   346,102,522   346,234,522   346,234,522   346,234,522   346,234,522   346,234,522   346,236,232   346,236,236   346,236,23	2	(1,480,000									1,480,000
## 637,000 (17,534,412)	das and	000	300,000							300,000	300,000
#\$3,132,000	no n	(17,634,412									17.634.412
\$3,132,000 \$46,102,522 \$46,234,522 \$5,132,000 \$46,102,522 \$46,234,522 \$5,132,000 \$46,102,522 \$46,234,522 \$6,43,132 \$1,14,94,212 \$1,14,94,212 \$1,14,94,212 \$1,14,94,212 \$1,14,94,212 \$1,14,94,212 \$1,147,974,356 \$1,147,974,356 \$1,147,974,356 \$1,147,974,356 \$1,147,974,356 \$1,147,974,356 \$1,147,974,348										637,000	637,000
\$3,132,000 \$46,102,522 \$49,234,522 \$347,210,728 \$347,210,728 \$347,210,728 \$3,132,000 \$46,102,522 \$49,234,522 \$349,234,522 \$3,132,000 \$4,6,102,622 \$3,63,64,23,084 \$2,270,297,169 \$1,187,974,356 \$3,467,271,525 \$3,324,806,182 \$361,616,902 \$3,686,423,084 \$2,270,297,169 \$1,187,974,356 \$3,467,271,525 \$3,324,806,182 \$361,616,902 \$3,686,423,084 \$2,270,297,169 \$1,187,974,356 \$3,467,271,525 \$3,324,806,182 \$361,616,902 \$3,686,423,084 \$2,270,297,169 \$1,187,974,356 \$3,467,271,525 \$3,467,271,571,571,571,571,571,571,571,571,571,5		(17,211,000						(193,794,172)			193,794,172
\$3,139,000 \$46,102,522 (45,164,875) (17,211,000) (177,211,000) \$3,324,806,182 \$5,324,806,182 \$55,324,806,182 \$55,324,806,182 \$56,1616,902 \$5,324,806,182 \$5,324,806		<u> </u>	\$49,234,522		\$347,210,728	\$347,210,728	-\$100,000	-\$162,676	-\$262,676	\$396,182,574	\$672,067,033
\$46,102,522 (46,162,876) (4,620,200) (11,494,212) (17,211,000) \$3,324,806,182 \$3,324,806,182 \$3,324,806,182 \$3,324,806,182 \$3,61,616,902 \$3,686,423,084 \$2,270,297,169 \$1,187,974,356 \$1,187,974,356 \$1,187,974,356 \$1,187,974,356 \$1,187,974,356 \$1,187,974,356 \$1,187,974,356 \$1,187,974,356 \$1,187,974,356		000					000 0019.			000 680 88	000 080 08
\$3,324,806,182 \$361,616,902 \$3,686,423,084 \$2,279,297,169 \$1,187,974,366 \$3,467,271,525 \$35,324,806,182 \$361,616,902 \$3,686,423,084 \$51,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,366 \$1,187,974,369 \$1,187,974,374,374,374,374,374,374,374,374,374,3	Central Valley Water Project Construction Fund California Water Resources Development Bond Fund.				\$347,210,728			-\$162,676 (600,000)		\$98,160,674	393,150,574
\$3,324,806,182 \$361,616,902 \$3,686,423,084 \$2,279,297,169 \$1,187,974,356 \$3,467,271,525 \$3,586,423,084 \$2,279,297,169 \$1,187,974,356 \$3,467,271,525 \$3,581,616,902 \$3,687,979,297,169 \$1,187,974,356 \$3,467,271,525 \$3,581,616,902 \$3,681,616,902 \$3,681,616,902 \$3,681,614,912 \$3,681,914,912 \$3,681,914,912 \$3,681,914,912 \$3,681,914,912 \$3,681,914,912 \$3,681,914,912 \$3,681,914,912 \$3,681,914,912 \$3,681,914,912 \$3,681,914,914,914,914,914,914,914,914,914,91	Catifornia Water Resources Development Bond Fund. State Beach. Park. Represtional and His-							(000 024)			000 022
\$3,324,806,182 \$5,324,806,182 \$5,324,806,182 \$5,324,806,182 \$5,64,123,084 \$5,324,806,182 \$5,324,	State Beach, Park, Recreational and His-	1						(000'011)			0,077
\$3,324,806,182 \$361,616,902 \$3,686,423,084 \$2,279,297,169 \$1,187,974,356 \$3,467,271,525 \$353,4806,182 \$361,616,902 \$3,686,423,084 \$2,279,297,169 \$1,187,974,356 \$3,467,271,525 \$35,324,806,182 \$361,616,302 \$3,687,271,525 \$3,487,974,369 \$1,187,974,374,374,374,374,374,374,374,374,374,3	na ve main ancionano conse facion o faciono de conse							(193,024,172)			193,024,178
#\$\frac{11}{1000}   (14,494,212)   (17,211,000)   (17,211,00	Recreation and Fish and Wildlife En-	(4,620,200									4,620,200
### ### ### ##########################	Health Science Facilities Construction	(14,494,212									14,494,218
\$3,324,806,182 \$361,616,902 \$3,686,423,084 \$2,279,297,169 \$1,187,974,356 \$3,467,271,525	Program Fund	(17,211,000									17,211,000
### Pund				\$2,279,297,169	11	83,467,271,525	\$53,012,055	\$32,927,342	\$85,939,397	\$7,239,634,006	\$7,616,673,213
# Fund.  ## Pund.  ## Construction				\$2,279,297,169			\$63,012,065			\$5,857,115,408	\$5,857,115,408
	Clean Water Bond Fund	\$361,616,90%			\$1,187,974,366			\$32,927,342		1,582,518,600	1,582,518,600
	State Construction Program Fund Central Valley Water Project Construction	(45,164,875						(000,000)			45,764,875
	Fund California Water Resourcee Development							(000'011)			770,000
	Bond Fund							(198,024,172)			198,024,178
	torical Facilities Fund	(4,704,248					,				4,704,248
	Kecreation and Fish and Widdife En- hancement Fund	(14,614,918	,								14,614,912
Program Fund (17,211,000)	Health Science Facilities Construction Program Fund	000'118'11)									17.211.000

These are Constitutional and Statutory Authorizations which are appropriated as Budget Act items.
 Not Budget Act items.

Schedule 8

COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1970–71, 1971–72, AND 1972–73

	•	Actual 1970-71		a a	Estimated 19/1-72	_	4	Estimated 1972-73	
Purpose and Legal Citation Gener	General Fund S	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
CONSTITUTIONAL AND STATUTORY AUTHORIZATIONS									
Requiren by Constitution: General Government: Dett Service: Bond Interest and Redemption: Various Rond Acts Retified in the Constitution—State Opera-									
	890,680,817		\$90,680,817	\$105,417,284		\$105,417,284	\$116,278,353		\$116,278,353
1 1	50,431,044		50,431,044	55,309,570		55,309,570	65,834,642		65,834,642
29	,082,496,201	0.5	\$1,082,496,201	\$1,112,106,954		81,112,106,954	81,142,954,795		81,142,954,795
AUTHORIZED BY STATUTES:  General Government: Legislative: Salaries of State Legislature: Section 8901, Government Code—State Operations	182,143,000	1	\$2,143,000	1\$2,340,000		82,340,000	1\$2,340,000		\$2,340,000
Judicial: Supreme and Appellate Courts: Contributions to Judges' Retirement Fund, Section 75101, Government Code—State Operations.	176,639		176,639	178,763		178,763	180,083		180,083
Judges of Superior and Municipal Courts: Contribution to Judges' Retirement Fund, Section 75101, Government Code—Local Assistance	1,994,717		1,994,717	2,246,080		2,246,080	2,153,891		2,153,891
Missellaneous: Storm and Flood Damage Repair, Section 186,95, Streets and Highways Code—Local Assistance		\$2,714,685	2,714,685	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					
Shared Revenues: Apportionment of Liquor License Fees: Section 25761, Business and Professions Code—Local Assistance	.	15,283,818	15,283,818		\$12,657,961	12,657,961		\$12,917,000	12,917,000
Apparament of Lighway Flogethes Areath Receipts: Section 104.10. Streets and Highways Code—Local Assistance—Apparationment of Motor Vehicle License Fees (In Lieu Tax):		1,853,650	1,853,650		2,313,127	2,313,127		2,445,000	2,445,000
Sections 11003.3 and 11005, Revenue and Taxation Code—Local Assistance—		240,235,477	240,235,477		247,280,000	247,280,000		262,260,000	262,260,000
Apportunment of Orgarette Lax: Sections 30462(e) and 30133, Revenue and Taxation Code—Local Assistance		71,642,625	71,642,625		73,200,000	73,200,000		74,300,000	74,300,000

## Schedule 8-EXPENDITURES BY BUDGET ACT, CONSTITUTION OR OTHER STATUTES-Continued

		Actual 1970-71		H	Estimated 1971-72		H	Estimated 1972–73	1
Purpose and Legal Citation	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
CONSTITUTIONAL AND STATUTORY AUTHORIZATIONS—Continued									
AUTHORIZED BY STATUTES:—Continued Shared Revenues:—Continued Apportionment of Highway Carriers Uniform Business License Tax: Section 4306(b), Public Utilities Code—Local Assistance	184,261		184,261	1,440,000		1,440,000	1,520,000		1,520,000
Apportionment of Tideland Revenues: Section 6817, Public Resources Code—Local Assistance	122,417		122,417	205,000		205,000	120,000		120,000
Apportionment of Motor Vehicle Fuel Taxes to Counties: Section 2012 2105 and 2106, Streets and Highways Code—Local Assistance.		142 083 239	149 083 939		148 200 000	148 200 000		153 900 000	152 000 000
Apportionment of Motor Vehicle Fuel Taxes to Cities: Sections 194, 2107 and 2107.5, Streets and Highways Code—Local		A 100 C C C C C C C C C C C C C C C C C C	20 00 00 00 00 00 00 00 00 00 00 00 00 0		200,000,000	000 002 23	1 1 1 1 1 1 1 1 1 1 1 1	000 000 000	0000004
Apportionment of Motor Vehicle Fuel Taxes to Cities and Counties: Section 2106, Streets and Highways Code—Local Assistance	; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;	91,474,180	91,474,180		94,900,000	94,900,000		98,500,000	98,500,000
Agriculture and Services:  Payment to Counties for Agricultural Programs  Section 224 and Section 12112, Agricultural Code—Local Assistance		1,250,000	1,250,000		1,314,553	1,314,553		832,750	832,750
District Agricultural Fairs: Sections 19622 and 19627, Business and Professions Code—State Operations		3,294,000	3,294,000		3,004,000	3,004,000		2,987,000	2,987,000
Section 19630, Business and Professions Code and Section 4002, Agricultural Code—Capital Outlay	1	1,216,268	1,216,268		3,221,951	3,221,951		1,502,728	1,502,728
County Agricultural Fairs: Sections 19622, 19626, 19627 and 19630, Business and Professions Code—Local Assistance.		2,266,736	2,266,736	1	2,868,100	2,868.100	1	2,381,242	2,381,242
Business and Transportation: State Highways: Section 183, Streets and Highways Code, and Section 5323, Business and Professions Code—State Operations. Section 183, Streets and Highways Code—Capital Outlay.		125,023,122 361,334,738	125,023,122 361,334,738		126,992,605 306,319,478	126,992,605 306,319,478		133,075,636 344,958,000	133,075,636 344,958,000
Assistance. Section 1900, Streets and Highways Code and Sections 1231.1 and 1231.2 Public Hillities Code I Americans		8,344,590	8,344,590		16,160,234	16,160,234		9,275,000	9,275,000
County Airports: Section 21682-21683, Public Utilities Code—Local Assistance		1,566,267	1,566,267		2,697,494	2,697,494		2,690,000	2,690,000
Resources: Department of Navigation and Ocean Development: Section 8552(g), Revenue and Taxation Code—Local Assistance		5,200,000	5,200,000		5,600,000	5,600,000		6,000,000	6,000,000
Section 1352, Fish and Game Code—Capital Outlay		233,509	233,509		750,000	750,000		750,000	750,000

Schedule 8-EXPENDITURES BY BUDGET ACT, CONSTITUTION OR OTHER STATUTES-Continued

		Aotual 1970-71		H	Estimated 1971-72	2	I	Estimated 1972-73	73
Purpose and Legal Citation	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
CONSTITUTIONAL AND STATUTORY AUTHORIZATIONS— Continued									
Human Relatione: Department of Social Welfare: Public Assistance Grants—Local Assistance	1641,391,891		641,391,891	1647,563,500		647,563,500	1647,676,900		647,676,900
Education: Apportionment to Public Schoole: Sections 17301, 18303, 6421-6434, Education Code, Local Assistance. Section 18251, Education Code	1494,833,744 14,675,106 22,560	3,333,633	498,167,377 14,675,106 22,560	529,483,800 16,320,000 11,300,000	3,150,000	532,633,800 16,320,000 1,300,000	16,400,000	3,200,000	469,151,500
TOTALE, STATUTORY AUTHORIZATIONE	\$1,155,499,215	\$1,147,166,138	\$2,302,665,353	\$1,201,077,143	\$1,129,219,810	\$2,330,296,953	\$1,136,342,374	\$1,187,974,356	\$2,324,316,730
TOTALS, REQUIRED BY CONSTITUTION AND AUTHORIZED BY STATUTE.	\$2,237,995,416	\$1,147,166,138	\$3,385,161,554	\$2,313,184,097	\$1,129,219,810	\$3,442,403,907	\$2,279,297,169	\$1,187,974,356	\$3,467,271,525
State Operations Local Assistance Capital Outlay	\$93,000,456 2,144,994,960	\$128,317,122 656,064,501 362,784,515	\$221,317,678 2,801,059,461 362,784,616	\$107,936,047	\$129,996,606 688,931,776 \$10,291,429	\$237,932,662 2,894,179,826 310,291,429	\$118,798,436 2,160,498,733	\$136,062,636 704,700,992 347,210,728	\$254,861,072 2,865,199,725 347,210,728
BUDGET ACT AUTHORIZATIONS									
Expenditures from approprietions and authorizatione which are eubject to legislative or executive determinations, including Budget Act appropriations made available for expenditure for more than one fiscal year, and deficiency authorizatione.									
State Operations Local Assistance Capital Outlay.	\$1,292,073,859 1,251,244,841 72,546,037	\$251.222,468 24.249,863 - 63,290,477	\$1,643,296,327 1,276,494,704 9,265,660	\$1,333,994,967 1,311,441,693 17,340,964	\$273,263,508 61,056,028 51,742,536	\$1,607,268,466 1,372,497,621 49,083,490	\$1,475,637,222 1,899,149,015 3,032,000	\$308,866,961 39,737,437 46,939,846	\$1,784,504,183 1,938,886,452 48,971,846
TOTALS, BUDGET ACT AUTHORIZATIONS	\$2,615,864,737	\$212,181,854	\$2,828,046,591	\$2,662,777,504	\$366,062,072	\$3,028,839,576	\$3,377,818,237	8394,544,244	\$3,772,362,481
TOTALS, EXPENDITURES	\$4,853,860,153	\$1,359,347,992	\$6,213,208,145 \$4,975,961,601	\$4,975,961,601	\$1,495,281,882	\$6,471,243,483	\$5,657,115,406	\$1,582,518,600	\$7,239,634,006

1 These are Constitutional and Statutory Authorizations which are appropriated as Budget Act iteme.

### Schedule 9—EXPENDITURES FOR THE 1970—71 AND THE 1971—72 FISCAL YEARS RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES

1971–72 Governor's Budget as Submitted
\$28,785,481 8,647,763 5,609,550 74,350,687 3,356,104
\$244,823,600 \$77,143,186 17,432,969 81,391,430
319,401,847 18,733,938 678,604,799
-12,800,000 -12,000,900 -4,000,000
\$1,410,731,769
\$12,989,220 775,000 1,080,092 324,000,000 1,405,000
\$340,229,312 \$89,546 \$3,786,100 1,503,847,762 96,345,247 1,606,824,796 21,000,000
\$3,454,717,515
\$9,987,000
\$4,875,436,284 \$171,821,507

### Schedule 9—EXPENDITURES FOR THE 1970–71 AND 1971–72 FISCAL YEARS RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES—Continued

	18	1970-71 Fiscal Year						1971-72 Fiscal Year	scal Year				
	1971-72 Governor's Budget Estimated Expeoditures	Saviogs	1972–73 Governor's Budget Actual Expenditures	1971–72 Governor's Budget as Submitted	Effect of Legislative Action	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Continuing Appropriation Augmentation	Estimated Savings (-)	Current Year Balance Forward Adjustments	Reestimated 1971-72 Fiscal Year Expenditures
SPECIAL FUNDS  STATE OPERATIONS General Governmeot: Legislative Judicial. Executive. General Admiostratioo Miscellaceous. Uoallocated.	\$2,195,285 11,858 11,200 11,687,245 369,198	-\$2,400,693 -21,430 -171,934 10,445	-\$205,626 11,858 90,770 11,715,311 399,641	\$800,000 13,702 201,094 12,277,129 369,889 4,536,620	\$74,311 283,661 16,279	\$2,400,893		\$12.360 3.422 913.309		-\$21,984 101,663	-3,718,691	-\$3,382,528	-\$161,635 13,702 23,402 12,675,113 393,111 24,899
Agriculture and Bervices.  Busicess and Transportation.  Resources. Humao Relations.  Education.  Higher Educatioo.	\$14,629,526 \$30,432,559 322,439,719 25,798,748 751,433 37,000 1,083,200	-\$2.583,619 -\$2,242,416 -\$1,76,576 -3,958,500 76,756 8,909 -758,946	\$12,045,709 \$26,190,143 316,263,141 21,640,245 \$28,189 45,909 326,254	\$16,320,234 \$25,172,510 336,176,575 26,483,431 797,052 175,000 333,200	\$376,251 \$536,625 560,245 99,300	\$2,400,893 \$75,000 521,531 3,806,456 2,497,000 750,000		-\$97,527 \$736,642 76,035 62,650		\$79,989 \$370,876 610,651	-\$3,718,591 -\$495,157 -4,513,579 -1,772,037 -146,611 -467,400	-\$3,362,526 -\$72,195 -1,375,000	\$13,196,601 \$28,400,696 332,438,773 27,305,002 548,241 2,165,600 1,083,200
Totale, State Operations	\$395,170,184 \$5,186,770 3,562,707 3,382,610	-\$15,630,594 -387,419 1,585,770	\$379,539,590 \$5,166,789 3,175,288 -1,797,040	\$407,439,002 \$5,200,000	\$454,131 \$15,860,478	\$10,050,682				\$1,261,498	-\$11,135,675	-\$4,809,723 \$308,833	\$403,260,113 \$10,400,000 200,000 31,365,478
Shared Revenues.  Totals, General Governmeot. Agriculture and Services. Business and Transportation. Resources. Humao Relations.	\$642.504,644 \$4,027,500 26,132,539 3,768,647 20,978,406	-6,348,649 -\$7,150,299 -\$510,764 -13,010,477 1,196,741	\$635,354,545 \$3,516,736 15,122,062 4,967,388	\$683,480,000 \$2,738,500 19,199,976 3,764,993	\$15,860,478 \$250,000 750,000	-\$106,633 \$513.087 5,559,174				\$5,613,127 \$1,074,086 7,357,750 -1,546,988	-17,662,039 -\$21,702,039 -\$143,000	\$306,633 -\$368,887 -545,457	\$688,216,586 \$4,182,653 31,998,035 2,236,007 204,543 23,150,000
Totals, Cocal Assistance	\$699,429,938	-\$19,115,574	\$880,314,384	\$737,168,471	\$16,660,478	\$5,963,608				\$12,645,977	-\$21,845,039	<b>-\$605,691</b>	\$749,987,804 \$342,033,965
TOTALS, SPECIAL FUNDS	\$1,402,957,920		\$1,359,347,992	\$1,494,855,390	\$57,509,821	\$25,626,837				-\$24,198,678	-\$52,991,721	-\$5,321,367	\$1,495,281,682

### Schedule 10

### STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF DECEMBER 31, 1971

(This statement does not include bonds issued under authority of state instrumentalities which are not general obligations of the State of California)

Name of Issue	Percent Rate of Interest	Maturity	Authorized	Unsold	Redemptions	Outstanding
GENERAL OBLIGATION	BONDS					
GENERAL FUND BO	NDS					
State Construction Program Bond Act		1050 1005	<b>20</b> 00 000 000		**********	4110 000 000
of 1955State Construction Program Bond Act	31-5	1959–1985	\$200,000,000	_	\$82,000,000	\$118,000,000
of 1958	<del>1/10-5</del>	1962–1989	200,000,000	-	59,000,000	141,000,000
State Construction Program Bond Act of 1962	1/20-5	1965–1991	270,000,000	-	52,000,000	218,000,000
State Construction Program Bond Act of 1964	$3\frac{1}{10} - 6\frac{1}{2}$	1967-1990	380,000,000	-	47,500,000	332,500,000
State Higher Education Construction Program Bond Act of 1966	31-7	1968-1993	230,000,000	_	19,970,000	210,030,000
Junior College Construction Bond Act of 1968	3½-6½	1970–1991	65,000,000	_	2,200,000	62,800,000
State Beach, Park, Recreational and	0, 0,	1010 1001	35,000,000		2,200,000	02,000,000
Historical Facilities Bond Act of 1964	$3\frac{1}{10} - 6\frac{1}{2}$	1967–1991	150,000,000	\$25,000,000	14,300,000	110,700,000
Recreation and Fish and Wildlife Enhancement Bond Act of 1970	41-51	1972–1991	60,000,000	50,000,000	-	10,000,000
California Clean Water Bond Act of 1970	$3\frac{1}{2} - 5\frac{3}{4}$	1972–1991	250,000,000	200,000,000	-	50,000,000
Suhtotals, General Fund Bonds			\$1,805,000,000	\$275,000,000	\$276,970,000	\$1,253,030,000
PARTIALLY SELF-LIQUIDAT			•		8100 100 000	200 000 000
State School Building Act of 1949 State School Building Act of 1952	$1-4\frac{1}{2}$	1952–1978 1955–1990	\$250,000,000 185,000,000	Ξ	\$180,100,000 96,900,000	\$69,900,000 88,100,000
State School Building Act of 1954	$3\frac{1}{4}-5$	1959-1984	100,000,000	-	46,100,000	53,900,000
State School Building Act of 1956	1-5	1960-1985	100,000,000	-	40,000,000	60,000,000
State School Building Act of 1958	3–5	1961–1987	220,000,000	-	73,100,000	146,900,000
State School Building Act of 1960 State School Building Act of 1962	1/10-5	1963–1990 1966–1991	300,000,000 200,000,000	-	78,600,000	221,400,000 164,400,000
State School Building Act of 1964	$\frac{1}{20}$ -5 3-5	1967-1991	260,000,000	-	35,600,000 27,600,000	232,400,000
State School Building Act of 1966	$3\frac{3}{4}-7$	1970–1991	275,000,000	\$94,900,000	8,575,000	171,525,000
Totals, Partial Self-Liquidating Bonds			\$1,890,000,000	\$94,900,000	\$586,575,000	\$1,208,525,000
Totals, General Fund Bonds			\$3,695,000,000	\$369,900,000	\$863,545,000	\$2,461,555,000
SELF-LIQUIDATING BO	ONDS b					
California Water Resources Development Bond Act of 1959	$\frac{1}{20}$ $-6\frac{1}{2}$	1973–2021	\$1,750,000,000	\$250,000,000	-	\$1,500,000,000
HARBOR BONDS						
San Francisco Harhor Improvement of 1909 c	4	1951-1985	\$9,000,000	_	\$7,409,000	\$1,591,000
San Francisco Harhor Improvement of				###O 000		
San Francisco Harbor Improvement of	4	1955–1989	10,000,000	\$550,000	7,050,000	2,400,000
1929 e	11-31	1952-1983	10,000,000	4 4 2000	6,990,000	3,010,000
India Basin of 1909	4	1941–1985	1,000,000	147,000	668,000	185,000
Harbor Development of 1958 f	1–6	1964–1998	60,000,000		10,780,000	49,220,000
Totals, Harhor Bonds			\$90,000,000	\$697,000	\$32,897,000	\$56,406,000

### Schedule 10—Continued

### STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF DECEMBER 31, 1971—Continued

Name of Issue	• 1	Percent Rate of Interest	Maturity	Authorized	Unsold	Redemptions	Outstanding
VETERANS I	FARM AND HOME BUIL	LDING B	ONDS				
Veterans Bond Act	of 1949	1 1-4	1952-1972	\$100,000,000		\$97,200,000	\$2,800,000
Veterans Bond Act	of 1951	$1\frac{3}{4}-2\frac{1}{2}$	1954-1975	150,000,000	-	126,900,000	23,100,000
Veterans Bond Act	of 1954	1-5	1957-1977	175,000,000	-	119,800,000	55,200,000
	of 1956	1-5	1958-1984	500,000,000	-	240,000,000	260,000,000
Veterans Bond Act	of 1958	$3\frac{1}{4}$ -5	1961-1986	300,000,000	-	94,500,000	205,500,000
	of 1960	1/20-5	1962-1989	400,000,000	-	103,100,000	296,900,000
Veterans Bond Act	of 1962	3-5	1966–1988	250,000,000	-	44,350,000	205,650,000
Veterans Bond Act	of 1968	$3\frac{1}{2}-6\frac{1}{2}$	1971–1991	200,000,000	\$50,000,000	2,500,000	147,500,000
Totals, Veterans	Farm and Home Building	Bonds		\$2,075,000,000	\$50,000,000	\$828,350,000	\$1,196,650,000
Totals, Self-Liqu	idating Bonds			\$3,915,000,000	\$300,697,000	\$861,247,000	\$2,753,056,000
TOTALS, ALL GI	ENERAL OBLIGATION	BONDS_		\$7,610,000,000	\$670.597,000	\$1,724,792,000	\$5,214,611,000

a Debt service for the state school building bond issues of the State of California are paid in part with funds of the borrowing school

b The California Water Resources Development Bond Fund, the San Francisco Harbor Improvement Fund, the Small Craft Har-

both California Water Resources Development Bond Fund, the San Francisco Harbor Improvement Fund, the Small Craft Harbor Improvement Fund, and the Farm and Home Building Fund of 1943 provide from their respective revenues the source of financing for the debt service costs that are disbursed from the General Fund.

\*\*Callable on and after July 1, 1951, by lot.

d Callable on and after July 2, 1955, by lot.

d Callable on and after January 1, 1941, by lot.

f San Francisco Harbor services the debt service pertaining to the authorizations for \$50,000,000 in bonds, and the small craft harbors service the debt service pertaining to the authorizations for \$10,000,000 in bonds as provided by Chapter 103, Statutes of 1958, First Extraordinary Session.

COMPARATIVE STATEMENT OF EXPENDITURES BY PROGRAM, FUNCTION, ORGANIZATION UNIT AND FUND FOR FUND FOR FISCAL YEARS 1970-71, 1971-72, AND 1972-73 Schedule 11—Capital Outlay

	Dage		Actual	Actual 1970–71			Estimated 1971-72	1971-72			Estimated 1972-73	4 1972–73	a para de la companya
Organization Unit	refer- ence	General Fund	Special Funds	Total	Bond Fundst	General Fund	Special Funds	Tntal	Band Funds	General Fund	Special Funds	Total	Bond Funds
STATE BUILDING PROGRAM													
GENERAL GOVERNMENT General Administration: Military Department.	146					\$165,000		\$165,000					
Unallocated: Project Planning	184	\$24,976		\$24,976						\$50,000		\$50,000	
(Print Band Issues)	184								\$100,000				\$100,000
Interest nn Lnans from General Fund: (1966 and Subsequent Band Issues)	185				\$1,033,934								
Tntals, Unallocated		\$24,976		\$24,976	\$1,033,934				\$400,000	\$50,000		\$50,000	\$600,000
Totals, General Government		\$24,976		\$24,976	\$1,033,934	\$165,000		\$165,000	\$400,000	\$50,000	-	\$50,000	\$600,000
AGRICULTURE AND SERVICES Department of Agriculture State Exposition and Fair Executive Committee Department of General Services Veterans Home of California	213 273 309 359	\$378 577,428 17,089	*\$12,500	\$378 \$12,500 577,428 17,089		\$100,000		\$100,000					
Totals, Agriculture and Services		\$594,895	\$12,500	\$607,395		\$100,000		\$100,000					
BUSINESS AND TRANSPORTATION Department of the California Highway Patrol Department of Mntor Vehicles	440		b\$1,561,758 b6,145,045	\$1,561,758 6,145,045			b\$10,429,093 b5,623,434	\$10,429,093 5,623,434			b\$2,928,732 b3,638,160	\$2,928,732 3,638,160	
Totals, Business and Transportation			\$7,706,803	\$7,706,803			\$16,052,527	\$16,052,527			\$6,566,892	\$6,566,892	
Air Resources Board  Air Resources Board  Department of Conservation  State Lands Division.  Department of Water Resources	558 591 698	\$264,114 23,937	h\$1,592,418	\$1,592,418 264,114 23,937		\$268,158 50,000 56,063		\$268,158 50,000 56,063					
Totals, Resnurces		\$288,051	\$1,592,418	\$1,880,469		\$374,221		\$374,221					
HUMAN RELATIONS Department of Corrections: Departmental Administration California Conservation Center Correctional Institution at Tehachapi	769 769 769	\$7,221		\$7,221						\$150,000		\$150,000	

 <sup>1</sup> From the State Construction Program Fund unless otherwise indicated—not included in overall hudget totals.
 From the State Fair Fund.
 Prom the Mntor Vehicle Fund.

Schedule 11—Capital Outlay—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

	Page		Actual 1970-71	1970-71			Estimated 1971-72	1971-72			Estimated 1972-73	1972-73	
Organization Unit	refer- ence	General Fund	Special Funds	Total	Bond Funds1	General Fund	Special Funds	Total	Bond Funde	General Fund	Special Funds	Total	Bond Funds
STATE BUILDING PROGRAM—Continued													
HUMAN RELATIONS—Continued Department of Corrections:—Continued Deuel Vocational Institution	692	1,934		1,934				1					1
State Prison at Folsom. Institution for Men Men's Colony	289 289 289 289	25,012 2,622		25,012						165,000		185,000	
State Prison at San Quentin Rehabilitation Center	789	13,804		13,604					\$250,400				
Totals, Department of Corrections		\$50,593		\$50,593					\$250,400	\$495,000		495,000	
Department of the Youth Authority:  Departmental Administration  Northern California Secution Conter and Clinio	009	\$80,035		\$60,035	110	\$150,000		\$150,000					
Northern California Youth Center	0000	169 —40,565		189	415,868					\$150,000		\$150,000	
Totals, Department of the Youth Authority		\$39,639		\$39,639	\$390,411	\$150,000		\$150,000		\$150,000		\$150,000	
Department of Human Resources Dovelopment Department of Human Resources Dovelopment	649		0-\$175,945	-\$175,945			۰-\$177,250	-\$177,250			a-\$182,876	-\$182,676	
"Reed Act"  Department of Mental Hygiene	891	\$532,189	d(-398,568)	(-396,568) 532,169	\$106,060		d(-398,918)	(-396,918)	\$3,340	\$1,500,000	d(-396,916)	(~308,918)	
Totals, Human Relations		\$622,401	-\$175,945 1(-396,568)	\$446,458 (-398,568)	\$496,471	\$150,000	-\$177,250 2(-398,916)	-\$27,250 (-398,916)	\$253,740	\$2,145,000	-\$182,878 2(-398,918)	\$1,982,324 (-398,918)	
EDUCATION  Education: Department of Education: Special Stools for the Handicapped Children: Diagnostic School for Neurologically Handi- capped Children, Northern California School for the Deaf, Berkoley	1052 1053 1054	\$21,843		\$21,843		\$43,000		\$43,000	\$65,000				
Totals, Education		\$63,490		\$83,490		\$43,000		\$43,000	\$85,000				
Higher Education: Augmentation for Higher Education Capital Outlay	1074	\$06,200,000	-\$66,200,000			\$11,774,000	\$11,774,000						1

<sup>1</sup> From the State Construction Program Fund unless otherwise indicated—not included in overall budget totals.
3 Bond funds and all amounts in parentheese are not included in overall budget totals.
5 From the Department of Human Resources Devolopment Contingent Fund.
d From the Unemployment Trust Funds—not included in overall budget totals.
From the Capital Outlay Fund for Public Higher Education.

Schedule 11—Capital Outlay—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit STATE BUILDING PROGRAM—Continued	1		Actual 1970-71	970-71			Estimated 1971-72	1971–72			Estimated 1972-73	1972-73	
STATE BUILDING PROGRAM—Continued	_	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds1	General Fund	Special Funds	Total	Bond Funds
EDUCATION—Continued													
Higher Education—Continued													
University of California	0111		\$2,888,355	-\$2,888,355	\$10,907,000						-\$4,500,000	\$4,500,000	1817,211,000
Nonstate Funds	1110		E(17,270,427)	(17,270,427)			e(\$1,303,000)	(\$1,303,000)	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		*(30,617,000)	(30,617,000)	
Educational Fees	1110		k(3,039,294) h(12,613,909)	(12,613,909)			k(3,699,000)	(3,899,000)			h(34,197,000)	(1,455,000)	
State Colleges:													
Trustees of the California State Colleges	1143		e-7.341	-7.341	455.158		0244.740	244.740	\$539.730		•2.905.000	2 905 000	
State College, Bakersfield	1143		*127,698	127,698	1.244,113		-822.652	822,652	98,887		-4.087.000	4.087,000	
Chico State College	1143		e3,995,087	3,995,087	1,069,536		*10,461,655	10,461,655	-1,160,886		e1,298,000	1,298,000	
State College, Dominguez Hills	1143	1	1,783,437	1,763,437	3,517,218		e2,037,291	2,037,291	42,249		•1,599,000	1,599,000	
Fresno State College	1143		e234,674	234,674	-199,249		e4,401,748	4,401,746	39,153		.785,000	765,000	
State College, Fullerton	1143		°-773,610	-773,510	629,356		e309,440	309,440	572,000		e200,000	200,000	
State College, Hayward	1144	54,976	e-357,239	-302,263	-244,291		£2,040,988	2,040,988	-94,573	1	.860,000	860,000	
Humholdt State College	1144		e1,474,891	1,474,891	437,215		-2,575,698	2,575,698	298,846		.682,000	682,000	
State College, Long Beach	1144		e-210,991	-210,991	749,778		°863,137	863,137	46,409		·1,488,000	1,488,000	
State College, Los Angeles	1144	3,252	e954,150	957,402	-555,736	246,748	e87,608	334,354	785,834		-2,011,000	2,011,000	
Sacramento State College	1144		191,552	191,552	-100,873	1	e983,408	983,406	140,885		.9,157,000	9,157,000	
State College, San Bernardino	1144		e1,838,738	1,838,738	-75,209		• 66,000	-86,000	-137,772		1619,000	619,000	
San Diego State College	1145		e303,087	303,087	2,466,427		e158,000	158,000	2,762,341		. «376,000	376,000	
San Fernando Valley State College	1145		e18,078	18,078	6,177,100		e138,000	138,000	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		e400,000	400,000	
San Francisco State College	1145		e260,207	260,207	1,117,881		e610,185	610,185	113,114		. 1,631,000	1,631,000	
San Jose State College	1145		£228,081	228,061	-206,590				821,840		e794,000	794,000	
Sonoma State College	1145		e16,059	16,059	28,936		e221,000	221,000	247,321		e2,702,000	2,702,000	
Stanislaus State College	1145		e30,290	30,290	2,413,709		e914,000	914,000	225,965		-366,000	366,000	
State Polytechnic College—Kellogg-Voorhis	,												
State Polytochnic College Sen I wie Obiene	- 1140		e973,540	973,540	147,089		e-48,388	-48,368	17,459		e1,100,000	1,100,000	
Campus	1145		•155.305	155 305	-63 788		-193 000	193 000	000 00		-1.517.000	1.517.000	
							200400	00000	2000				
Totals, State Colleges		\$58,228	\$11,215,773	\$11,274,001	\$18,705,778	\$246,748	\$26,948,176	\$27,194,924	\$5,446,602		\$34,557,000	\$34,557,000	
			(80),210,117	(14,014,100)			(18,070,804)	(18,070,864)			(716'110'60).	(98,041,946)	
Maritime Academy.	1184	\$56,121		\$56,121									

<sup>From the State Construction Program Fund unless otherwise indicated—not included in overall budget totals.
From the Capital Outlay Fund for Public Higher Education.
I From the Health Sciences Facilities Construction Program Fund—not included in overall budget totals.
From University Plant Funds and nonstate funds—not included in overall budget totals.
From Educational fees—not included in overall budget totals.
From nonstate funds—not included in budget totals.</sup> 

### Schedule 11-Capital Outlay-COMPARATIVE STATEMENT OF EXPENDITURES-Continued

	Page		Actual 1970-71	970–71			Estimated 1971-72	1971-72			Estimated 1972-73	1972-73	
Organization Unit	refer- ence	General Fund	Special Funds	Total	Bond Funds1	General Fund	Special Funds	Total	Bond Funds1	General Fund	Special Funds	Total	Bond Funds
STATE BUILDING PROGRAM—Continued													
EDUCATION—Continued Higher Education—Continued Community Colleges	1217		1(\$2,252,244) k(14,906,610)	(2,252,244)	\$13,710,796		i(\$2,617,778) k(24,302,261)	(\$2,817,776) (24,302,261)	\$36,369,103		k (33,526,414)	(33,526,414)	\$45,164,675
Totals, Higber Education		\$66,314,349	-\$59,872,562 2(64,593,212)	\$8,441,767 (64,593,212)	\$43,323,574	\$12,020,746	\$15,174,176	\$27,194,924 (75,599,003)	\$41,615,705		\$39,057,000 2(138,643,356)	\$39,057,000 (136,643,356)	\$62,375,875
Totals, Education		\$66,377,639	-\$59,872,582 2(64,593,212)	\$6,505,257 (64,593,212)	\$43,323,574	\$12,063,746	\$15,174,176 2(75,599,003)	\$27,237,924 (75,599,003)	\$41,900,705		\$39,057,000 2(138,643,356)	\$39,057,000 (136,643,356)	\$62,375,675
Totals, State Building ProgramDISTRICT FAIR CONSTRUCTION PROGRAM		\$69,906,162	-\$50,736,606 2(64,196,646)	\$19,171,356 (64,196,646)	\$44,855,979	\$12,652,969	\$31,049,453 2(75,200,085)	\$43,902,422 (75,200,065)	\$42,554,445	\$2,195,000	\$45,461,216 2(138,444,436)	\$47,656,216 (136,444,436)	\$62,975,675
Agriculture: District Agricultural Associations	215	-\$200,000	1\$1,266,558	\$1,086,558		-\$100,000	1\$3,294,368	\$3,194,386		-\$100,000	181,771,356	\$1,671,358	
STATE HIGHWAY PROGRAM													
Transportation Agency: Department of Public Works: Division of Highways Division of Higways—Other Funds	484		m\$361,334,736 n(8,031,913)	\$361,334,736 (8,031,913)			m\$306,319,478 n(11,977,900)	\$306,319,478 (11,977,900)			m\$344,956,000 n(11,343,400)	\$344,956,000 (11,343,400)	
WILDLIFE CONSERVATION PROGRAM													
Resources:  Department of Fish and Game	613		°\$204,710	\$204,710			*\$602,668	\$602,668			•\$210,000	\$210,000	
Wildlife Conservation Board	618		P233,509	233,509			P750,000	750,000	9700,000		P750,000	750,000	1,460,000
Wildlife Conservation Board	618				4\$1,066,566				45,300				
Totals, Wildlife Conservation Program		1	-\$626,261	-\$626,261	\$1,066,566		\$1,352,668	\$1,352,866	\$705,300		\$960,000	\$960,000	\$1,460,000

<sup>1</sup> From the State Construction Program Fund unless otherwise indicated-not included in overall budgst totals.

From the Recreation and Fish and Wildlife Enhancement Fund—not included in overall budget totals.

From the Recreation and Fish and Wildlife Enhancement Fund—not included in overall budget totals.

From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.

This amount was treated as an expenditure in the 1989-70 fiscal year when transferred from the General Fund to this Nongoverumental Cost Fund.

From Community College District Funds—not included in budget totals.

From the Fair and Exposition Fund.

In From the State Highway Purposes from other funds—not included in overall budget totals.

From the Fish and Game Preservation Fund.

Per Stron the Fish and Game Preservation Fund.

Schedule 11—Capital Outlay—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

	Page		Actual 1970-71	970-71			Estimated 1971-72	1971-72			Estimated 1972-73	1972-73	
Organization Unit	refer- ence	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds	General Fund	Special Funds	Total	Bond Funds
PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM													
Resources: Department of Navigation and Ocean Develop-												Con Con T	100 Maria
ment	633		4(\$982,907)	(\$982,907)			4(\$330,000)	(\$330,000)	481,195,300		4(\$1,892,000)	000,282,000	000,829,100 000,829,000
State Park and Recreation Commission State Park and Recreation Commission	655 656	\$2,399,164	-\$17,680	2,399,164		\$3,795,985	-\$17,768	3,795,985		\$300,000		300,000	
State Park and Recreation Commission	656		•200,000	200,000									
State Park and Recreation Commission.	656		q(578,230)	(578,230)	4\$11.818.927		٩(168,505)	(158,505)	4\$24.292.591				44,620,200
State Park and Recreation Commission	656						,(480,000)	(480,000)	39,531,268				311,184,612
Totals, Park and Recreation Acquisition and Development Program		\$2,399,164	\$182,320 2(1,561,137)	\$2,581,484 (1,561,137)	\$11,818,927	\$3,795,985	\$17,758 2(968,605)	\$3,813,743 (968,605)	\$35,019,159	\$300,000	2(1,992,000)	\$300,000 (1,992,000)	\$17,634,412
FACILITIES PROGRAM													
Recources: Reclamation Board Projects	661	-\$316,665		-\$316,665		\$155,000		\$155,000		\$637,000		\$637,000	
Department of Water Resources	90.5	755,376	u-\$11,946,491	-11,191,115	101 101 010	637,000		637,000	000 000				ve103 094 179
Department of Water Resources	3 2				*34,743,184				*83,233,641				4770,000
Totals, California Water Facilities Program		\$438,711	-\$11,946,491	-\$11,507,780	\$281,144,371	\$792,000		\$792,000	\$255,514,210	\$637,000		\$637,000	\$193,794,172
TOTALS, CAPITAL OUTLAY		\$72,546,037	\$299,494,038 2(73,789,696)	\$372,040,075 (73,789,696)	\$338,885,843	\$17,340,954	\$342,033,965 2(88,146,490)	\$359,374,919 (88,146,490)	\$333,793,114	\$3,032,000	\$393,150,574 2(151,779,838)	\$396,182,574 (151,779,838)	\$275,884,459

1 From the State Construction Program Fund unless otherwise indicated—not included in overall budget totals.
2 Bond funds and all amounts in parentheses are not included in overall budget totals.
3 From the Recreation and Fish and Wildlife Enhancement Fund—not included in overall budget totals.
4 From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.
4 From the Harbors and Watercraft Revolving Fund—not included in overall budget totals.

r From the Motor Vehicle Transportation Tax Fund.

From the Highway Users Tax Fund.
 From the Special Deposit Fund—not included in overall hudget totals.

From the California Water Fund.
 From the California Water Resources Development Bond Fund—not included in overall budget totals.
 From the Central Valley Water Project Construction Fund—not included in overall budget totals

### Schedule 12—Capital Outlay

### COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1970-71, 1971-72, and 1972-73

STATE BUILDING PROGRAM				
Function	Page Reference	Actual 1970-71	Estimated 1971-72	Estimated 1972-73
General Government: Military Affairs:				
Facilities for maintenance and care of federal equipment a	146	(\$145,557)	(\$1,838,000)	(\$1,580,000)
Education: University of California	1110		(4=,,	
State Colleges:	1110	1,585,426	_	25,320,000
Trustees of the California State CollegesCommunity colleges	1146 1218	15,831,405 3,557,804	13,260,692	Ξ
Totals, Education		\$20,974,635	\$13,260,692	\$25,320,000
Totals, State Building Program		\$20,974,635 (145,557)	\$13,260,692 (1,838,000)	\$25,320,000 (1,580,000)
STATE HIGHWAY PROGRAM				
Business and Transportation: Department of Public Works:				
Division of Highways	482	\$441,817,456	\$389,947,984	\$370,956,000
PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM				
Resources: Department of Parks and Recreation (State Park Contingent	0==		AH #00 000	0.1 HO. 1 OHO
Fund)	657	-	\$5,799,000	\$4,524,250
CALIFORNIA WATER FACILITIES PROGRAM				
Resources:				
Department of Water Resources: Federal share of operation and maintenance Federal flood control contributions	701 701	\$1,563,836 220,294	\$1,716,788 793,000	\$1,845,500 37,000
Totals, California Water Facilities Program		\$1,784,130	\$2,509,788	\$1,882,500
TOTALS, CAPITAL OUTLAY (Federal funds) b		\$464,576,221 $(145,557)$	\$411,517,464 (1,838,000)	\$402,682,750 (1,580,000)

a Federal funds not reported in detail budget schedules and not summarized in the Reconciliation with Appropriations, b Federal funds are not included in overall budget totals.

### SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1972-73 Schedule 13—Capital Outlay

		Proposed Budget Act of 1972	st Act of 1972		Statutory	Prior Year	Prior Year Appropriations, Continuing Appropriations and Reappropriations	Continuing Appropriations	opriations	Governmental	
	General Fund	Special Funds	Total	Bond Fund	Authorization Special Funds	General Fund	Special Funds	Total	Bond Fund1	Cost Funds Total	Total
STATE BUILDING PROGRAM General Government: Usallocated: Project Planning	\$50,000		000'09\$						\$100,000 500,000	000'09\$	\$50,000 100,000 500,000
Business and Transportstion: Department of the California Highway Patrol Department of Motor Vehicles		*\$2,928,732 *3,638,160	2,928,732							2,928,732 3,638,160	2,928,732
Human Relations: Department of Corrections. Department of the Youth Authority. Department of the Wouth Authority.	495,000		495,000				b—\$162,676	-\$162,676		495,000 150,000 162,676	495,000 150,000 162,676
Department of Human Resources Development—"Reed Act"	1,500,000		1,500,000				- 398,918)	(-388,918)		1,500,000	1,500,000
Higher Education: University of California.  Trustees of the California State Colleges		44,500,000 f(34,197,000) d34,557,000 e(14,512,768)	4,500,000 (34,197,000) 34,557,000 (14,512,768)	*\$17,211,000 45 164 875						4,500,000	21,711,000 34,557,000 45,164,875
TOTALS, STATE BUILDING PROGRAM	\$2,195,000	\$45,623,892	\$47,818,892	\$62,375,875			-\$162,676	-\$162,676	\$600,000	\$47,656,216	\$110,632,091
DISTRICT FAIR CONSTRUCTION PROGRAM Agriculture: District Agricultural Associations		(48,709,768) b\$268,630	(48,709,768)		ь\$1,502,728	\$-100,000	(-398,918)	(-398,918)		\$1,671,358	\$1,671,358
STATE HIGHWAY PROGRAM Transportation Agency: Department of Public Works: Division of Highways.					\$344,958,000		1			\$344,958,000	\$344,958,000

<sup>1</sup> From State Construction Program Fund unless otherwise indicated-not included in overall budget totals.

From Motov Vehicle Fund.
 From Department of Human Resources Development Contingent Fund.
 From Department of Human Resources Development Contingent Fund.
 From Unemployment Trust Fund (Reed Act)—not included in overall budget totals.
 From Health Sciences Facilities Construction Program Fund—not included in overall budget totals.
 From University Educational Fees—not included in overall budget totals.
 From State College Facility Revenue Fund—not included in overall budget totals.
 From State Highway Fund.

SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1972-73-Continued Schedule 13—Capital Outlay

			Proposed Budg	Proposed Budget Act of 1972		Statutory	Prior Year	Prior Year Appropriations, Continuing Appropriations and Reappropriations	Continuing Appr Opriations	opriations	Governmeofal	
		General Fund	Special Funds	Total	Bond Fund	Authorization Special Funds	General Fund	Special Funds	Total	Bond Fund	Cost Funds Total	Total
	WILDLIFE CONSERVATION PROGRAM Resources: Department of Fish and Game		1\$210,000	\$210,000	k\$1,480,000	1750,000					210,000 750,000	210,000
	PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM Resources: Department of Navigation and Ocean Development. Department of Parks and Recreation:		т (1,892,000)	(1,992,000)	k1,829,600							1,829,600
	State Park and Recreation Commission. State Park and Recreation Commission. State Park and Recreation Commission.	\$300,000		300,000	n4,620,200 k11,184,612						300,000	300,000 4,620,200 11,184,612
B-41	CALIFORNIA WATER FACILITIES PROGRAM Resources: Reclamation Board	637,000		637,000						0\$193,024,172 P770,000	000'289	637,000 193,024,172 770,000
	GRAND TOTALS, CAPITAL OUTLAY	\$3,132,000	\$46,102,522 (50,701,768)	\$49,234,522 (50,701,768)	\$81,490,287	<b>\$</b> 347,210,728	-\$100,000	-\$162,676 (-398,918)	-\$262,676 (-398,918)	\$194,394,172	\$396,182,574	\$672,067,033
	General Fund. Special Funds. State Construction Program Fund	\$3,132,000	\$46,102,522		\$45,164,876	\$847,910,728	-\$100,000	-\$162,676		000'009\$	\$3,032,000 893,150,574	\$3,032,000 \$93,150,574 45,764,875
	Rereation and Fish and Wildlife Enhancement Fund.  Health Sciences Facilities Construction Program Fund.  Central Valley Water Froject Construction Fund.  California Water Resources Development Bond Fund.				4,454,218 17,811,000					770,000		4,520,200 14,494,212 17,211,000 770,000 198,024,172

<sup>&</sup>lt;sup>1</sup> From the State Construction Program Fund unless otherwise indicated—not included in overall budget totals.

<sup>1</sup> From Fish and Game Preservation Fund.

<sup>2</sup> From Reereation and Fish acod Wildlife Eohancement Fund—not included in overall budget totals.

<sup>3</sup> From Marbors and Watercraft Revolving Fund—not included in overall budget totals.

<sup>4</sup> From State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.

<sup>5</sup> From California Water Resources Development Bond Fund—not included in overall budget totals.

<sup>6</sup> From California Water Resources Development Bond Fund—not included in overall budget totals.

<sup>8</sup> From Ceotral Valley Water Project Construction Fund—not included in overall budget totals.

Schedule 14—Capital Outlay

# COMPARATIVE STATEMENT OF EXPENDITURES AUTHORIZED BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION OR OTHER STATUTES FOR THE FISCAL YEARS 1970–71, 1971–72 AND 1972–73

		Actual 1970-71		M	Estimated 1971-72	8	Ħ	Estimated 1972-73	e
Purpose and Legal Citation	General Fund	Special Funde	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
STATUTORY AUTHORIZATIONS									
AUTHORIZED BY STATUTES: Dietrict Fair Conetruction Prooram Agriculture: District Agricultural Associations Section 19630, Business and Professions Code and Section 4002, Agricultural Code—Capital Outlay		\$1,216,268	\$1,216,268		\$3,221,951	\$3,221,951		\$1,502,728	\$1,502,728
STATE HIOHWAY PROORAM Business and Transportation: Division of Highways Section 183, Streets and Highways Code.		361,334,738	361,334,738		306,319,478	306,319,478		344,958,000	344,958,000
Wildlife Confervation Prooram Refources: Wildlife Concervation Board Section 1352, Fish and Game Code.		233,509	233,509		750,060	750,000		750,000	750,000
TOTALS, STATUTORY AUTHORIZATIONS	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$362,784,515	\$362,784,515		\$310,291,429	\$310,291,429		\$347,210,728	\$347,210,728
BUDGET ACT AUTHORIZATIONS									¢
Expenditures from appropriations and authorizations which are subject to legialative or executive determinations, including Budget Act appropriations, special appropriations, balances available in prior year appropriation made available for expenditure for more than one fiscal year, and deficiency authorizations.									
TOTALS, BUDGET ACT AUTHORIZATIONS	\$72,546,037	-\$63,290,477	\$9,255,560	\$17,340,954	\$31,742,536	\$49,083,490	\$3,032,000	845,939,846	\$48,971,846
TOTALS, CAPITAL OUTLAY	\$72,546,037	\$299,494,038	\$372,040,075	\$17,340,954	\$342,033,965	\$359,374,919	\$3,032,000	\$393,150,574	\$396,182,574

Schedule 15—CAPITAL OUTLAY (Financed By The General Fund and Special Funds)
EXPENDITURES FOR THE 1970—71 AND 1971—72 FISCAL YEARS—RECONCILIATION OF THE CHANGES FROM PREVIOUS BUDGET ESTIMATES

	61	1970-71 Fiscal Year	± .					1971-72 Fiscal Year	al Year				1 1 1 1 1
	1971-72 Governor's Budget Estimated Expanditures	Savings	1972-73 Governor's Budget Actual Expenditures	1971-72 Governor's Budget as Submitted	Effect of Legislative Action	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriation	Continuing Deficiency Appropriation Appropriation Augmentation	Estimated Savings (-)	Current Year Balanco Forward Adjustments	Reestimated 1971-72 Fiscal Year Expenditures
GENERAL FUND General Government: Exceutive. Unallocated.	\$165,000	-\$185,000 -50,024	\$24,978			\$185,000	\$17,045				-\$50,000	-\$170,45	\$165,000
Totals, General Government	\$240,000	-\$215,024	\$24,976			\$215,000	\$17,045				-\$50,000	-\$17,045	\$155,000
Agriculture and Services Resources Human Relations. Education Higher Education	\$303,574 5,906,089 654,713 103,385 70,335,200	\$91,321 -2,780,143 -32,312 -39,875 -2,020,851	\$394,895 3,125,928 622,401 63,490 88,314,349	-\$1,850,000 1,887,000 150,000	\$100,000 -281,880 -18,000	\$39,388 3,988,106 586,889 62,853 2,047,536	-\$17,045	\$110,000		\$1,750,000	\$39,388 521,975 558,889 37,853 7,800	880'61\$-	\$4,982,200 150,000 43,000 12,020,748
Totals, Capital Outlay (General Fund)SPECIAL FUNDS	\$77,542,921	-\$4,998,884	\$72,546,037	\$9,987,000	-\$183,880	\$6,917,872		\$110,000		\$1,750,000	-\$1,223,905	-\$36,133	\$17,340,954
Agriculture and Services. Business and Transportation. Resources. Human Relations.	\$2,640,357 371,728,719 1,768,918 -181,238 -87,616,958	-\$1,339,299 -2,685,178 -12,588,952 -14,707 7,744,378	\$1,301,058 359,041,541 10,800,034 175,945 59,872,582	\$2,234,000 358,816,820 1,352,100 -155,003	<b>-\$639,800</b>	\$1,934,799 3,208,840 -55,522 4,524,230				<b>-\$</b> 894,411 -37,209,740	\$395,085 21 -22,247 -20,384,866	\$20,000 74,047	\$3,294,388 322,372,005 1,370,846 -177,250 15,174,175
Totals, Capital Outlay (Special Funds)	\$308,357,798	-\$8,883,780	\$299,494,038	\$350,047,917	\$40,395,012	\$9,612,147				-\$38,104,151	-\$20,011,007	\$94,047	\$342,033,955
Total Capital Outlay (General and Special Funds) \$385,900,719	\$385,900,719	-\$13,	\$372,040,075	\$360,034,917	\$40,231,132	\$15,530,019		\$110,000		54,151	-\$21,234,912	\$57,914	\$359,374,919

